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THE DARK SIDE OF DEREGULATION
WHY WE CAN'T STAND UP TO OPEC

The Washington Monthly

MAY 1979/$2.00

Why Did This Man Quit?

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HOW TO CHOOSE THE RIGHT SIZE ENGINE

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Letters

I enjoyed the article by Robert Kaus ["What's Wrong with Roots," March 1979], very much and sympathize strongly with his point of view. However, he misunderstands my own position in so many ways that I hardly know how to begin setting matters straight. There is not much sense, nor would I here have space, to proceed line by line showing how he has misread me. Perhaps the easiest way to put it is that he has confused the new ethnicity with the old ethnicity, and stated my views (and perhaps those of others, who may speak for themselves) in a way far too narrow, so that even I would be forced to reject them.

When I published my very first essay on ethnicity in *Harper's* in 1971, and then *The Rise of the Unmeltable Ethnics* in 1972, the effort represented a kind of spiritual breakthrough for myself, a voyage of discovery and recognition. It would be hard to exaggerate the degree of cultural amnesia and sheer ignorance of our own history in which many of us from Eastern European and other backgrounds have been left. Since human beings are historical animals, this amnesia cannot be wholly beneficial to a cultivated mind. It has taken me a great deal of effort, unassisted by most of the cultural institutions of our own good land, to put together the story out of which my parents and their parents came. This effort has helped me, I think, to understand both myself and others around me far better than I did before.

Naturally, I am not like my parents, nor are they like their parents. If ethnicity did not change from generation to generation, especially under conditions of an enormous cultural migration, it could not have survived down through the ages. Mr. Nocera comments that he is glad to see the old ethnicity pass. So am I. Although he and Mr. Kaus and I have no doubt been educated under conditions that give each of us a participation in the common culture greater than that available to our parents' generation, we each continue to draw from different sectors of this earth's history. It makes a difference—in politics, religion, sensibility, self-image, regard in the eyes of others, ideas, and symbolic universe—whether one comes into this culture from a Jewish, or an Italian, or a Slovak past. It will continue to make a difference in the lives of our children and their children. Such differences do not constitute the whole of life. They constitute only a small part of it. But they are significant. In some things, including some matters of life or death, they are decisive.

Each person is free to make of his or her own ethnicity what he or she will. Moreover, if one chooses to take one's roots with a certain seriousness, one is free to do so in many different ways. One is certainly free to do so with eyes fixed far more steadily on the future than on the past.

It was one of the great mistakes of enlightened thought in the late nineteenth and early twentieth centuries to think that religion and ethnicity would perish as the world became more modern. What we are seeing all around us is quite the opposite. The ancient sources of vitality retain their power, even when we all wear jeans, drink Coca-Cola, read *Huck Finn*, and reverberate to the images and sounds of Los Angeles.

MICHAEL NOVAK
Washington, D.C.

In his February article, "The Merger Mania," Tom Redburn acknowledges that there are both good mergers and bad mergers.

As Mr. Redburn wrote, Pan Am "had a legitimate gripe" in the years it was banned from developing domestic routes. Now, when U.S. domestic carriers are being given international authority and foreign carriers are being offered new routes to the U.S., nearly everyone agrees that Pan Am should have a domestic system. The only question is how it should get one.

The short answer is that Pan Am can't afford the five to to eight years and $1.25 billion it would take to build a system comparable to National's from scratch.

Merging Pan Am with National puts two systems together end-to-end, and eliminates almost no competition.

If Mr. Redburn wishes to cite counterproductive airline mergers, he should look at Eastern Air Lines' application to take over National and at Texas International's. Eastern's plan would wipe out one of its two main competitors. A merger of either Eastern or Texas International with National would not provide the public benefits of a Pan Am-National merger.

JOHN KRIMSKY
Washington, D.C.

Mr. Krimsky is Vice President for Federal Affairs for Pan Am.

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MAY 1979

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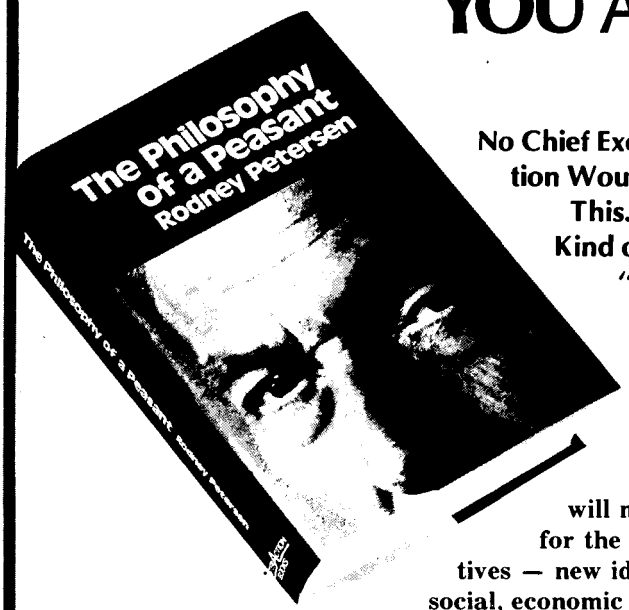

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INTERACTION BOOKS

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Tilting at Windmills

The cover of the March 19 *U.S. News* asked, "Do Banks Make Too Much Money?" If the question persuaded you to look inside, you would find that the article that purported to answer it was an interview with the president of the American Bankers Association. . . . Our favorite recent letter to the editor was addressed to *The Washington Post* by Kathleen M. Kiely, who was searching for a dog to replace a pet that had died. She went to the Montgomery County, Maryland animal shelter, where she was told that she couldn't have a dog because it would be too difficult to check her home in Washington to see if it would provide a proper environment for the animal. The writer expressed some dismay at the alternative for the dogs, 9,000 of whom were put to death in Montgomery County last year. If I were a dog I think I would take an Oliver Twist position. Better to live with a Fagan than die. . . . Another letter I like was written to *The New York Times* by Victor Crichton, who noted that estimates of the cost of public projects, like the renovation of Yankee Stadium, invariably are dramatically lower than the bill finally submitted to the taxpayers. Crichton suggests this formula: double the original estimate, then multiply by the number of years to completion. . . .

The National Education Association gets a real estate tax exemption on its $12.9-million property at 16th and M Streets in Washington. When the exemption was granted in 1906, Congress provided that it would cease if the property stopped being used for educational purposes. The NEA is now a union, for which the Washington property serves as national headquarters and lobbying office. Similar tax exemptions are given to 40 other organizations by act of Congress. Among them are such lobbies as the American Legion, the Veterans of Foreign Wars, the American Pharmaceutical Association and the American Forestry Association. The affected properties are valued at $305 million, according to Jack Eisen of *The Washington Post*. There is actually something that can be done about this outrage. The D.C. City Council was given the power to revoke such congressional largess by the Home Rule Charter of 1975. . . . Speaking of the D.C. government, you may recall that when Mayor Marion Barry was a member of the city council in 1975 he sponsored a resolution to stop the city from giving low-numbered license plates to people who had political pull. The practice, wrote Barry at the time, "perpetuates elitism and classism." Now we learn from *The Washington*

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Star's Michael Davis that the No. 3 tag adorns the silver-colored Alfa Romeo owned by Elijah G. Rogers, the city administrator, and No. 17 belongs to the brown Mercedes-Benz driven by Ivanhoe Donaldson, the Mayor's assistant. . . . Did you ever notice how much Cy Vance looks like Stan Laurel? . . . A couple of issues back we noted that we had gotten on the mailing list for conferences held by the Aspen Institute—remember "Thirteen Days of Great Thoughts for only $3,900?" If this sounded like fun to you, but a bit out of your price range, we are happy to report that we are now on the mailing list of Another Place, a conference center in New Hampshire—too late, alas, to tell you about their "Massage Weekend," April 7-9 ("Please bring sleeping bags, towels, musical instruments, massage oil, and a pad if you have one"), or "Reclaiming Jewishness," April 20-22, featuring workshops on "Internalized Oppression," "Being Jewish and Female," and "Gay and Lesbian Jews." But you just might get this issue in time to catch "Networking for A New Age," April 27-29. ("How do we apply the light and understanding of planetary change to the conduct of our daily lives. . . . Two members of the Findhorn community will be coming over from Scotland to focalize the gathering with us.") Maybe you've been reluctant in the past to be "focalized," but consider Another Place's low cost—$40-$80 with children at half-price. . . . That probably wouldn't even buy you a single great thought at Aspen. . . .

During the late forties and early fifties, I was horrified by my liberal friends who expended their energy in ardent defense of the dubious innocence of Alger Hiss and Ethel and Julius Rosenberg, while ignoring the government's prosecution of the leaders of the American Communist Party for advocating Marxist doctrines. That case, brought under the Smith Act and referred to in the law books as *Dennis* v. *United States,* resulted in the conviction of the party leaders and remains the blackest moment for the cause of free speech in my lifetime.

Many liberals would like to see free speech as an absolute right, but there have been enough successful attacks upon that ideal that it seems realistic to withdraw to a tighter line of defense that may exclude some forms of speech from absolute protection but will spare us future Smith Act cases.

In other words, if you value the First Amendment you should always be trying to think of a formula that will give absolute protection to the form of speech you believe is essential to liberty, a formula so clear that even a mediocre jurist would be able to apply it with ease and come up with the right decision. That search has taken me down a road pioneered by the late Alex Meiklejohn, a great free speech theorist, who saw the heart of the First Amendment as being political speech.

As with most theories of the First Amendment, the political one runs into problems with libel and violence. Does my absolute right to free political speech give me the right to libel a political figure or to urge his assassination? My answer is of course not. What it does give me is the absolute right to discuss political ideas. (If you doubt my adherence to this principle, see the Falangist ad on page 52.) The next question that usually arises is when is an idea political and when is it not? Pornography seems clearly outside the realm of political discourse—while the argument that we should have the right to publish porno is clearly within it. Scientific information is not political, but one should have the absolute right to argue that scientific information should be freely discussed. . . . So in the case of *The Progressive* and its article on how to build an H-bomb, I think the magazine, of course, has an absolute right to argue that it should be able to publish the piece. But the rest of us have the right to argue against it, and to submit the issue to judicial decision on the grounds of the reasonableness of *The Progessive*'s case, and

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the government's, on whether publication of all the scientific information about the H-bomb is necessary for the expression of *The Progressive*'s political argument. Viewing the issues in this way, I come down comfortably down on the side of the government.... I understand and sympathize with *The Progressive*'s point that the information it proposes to print is accessible to any enterprising reporter or terrorist. But it can make the point editorially—without doing anything that would make it easier for the terrorist. And if it chooses to make its point that way it will have our wholehearted support. Publishing the article in its entirety seems unjustifiable, and *The Progressive* threatens tremendous damage to all of our rights if it persists in taking the judicial rather than editorial road. This is not the Supreme Court to decide a landmark First Amendment case.

Does it seem probable to you that, if the United States becomes involved in a major military conflict, it will probably take place in Europe or the Middle East? If so, you may be interested to know that of our three Marine Amphibious Forces, two are located in the Pacific.... For over a hundred years, the federal government has been the leading employer in the Washington area. Not so anymore, according to the District of Columbia Department of Labor, which reports that in January there were 359,000 persons working for the federal government and 360,300 in "service industries." To understand this development, it helps to know that the service sector includes lawyers, accountants, and the employees of trade associations. We have always said that the lobbies run the government. Now they outnumber it.... Why do national leaders now have to hug each other when they meet? According to Theodore Jacobs, the blame goes to Sadat and Kissinger, who started the custom in the early seventies.... Do you realize that the Treasury started minting funny money—the coins with the copper-colored center—in 1965, the same year as the great escalation in Vietnam? Here is a conspiracy theory waiting to be born. Unfortunately, it will probably never see the light of day because only the right is suspicious about fiddling with the currency and only the left is suspicious about Vietnam.... Joseph Young, the civil service columnist of *The Washington Star*, began a recent column:

"Government employee unions have embarked on a battle they consider as vital to federal and postal workers as any they have fought in the past.

"The unions are seeking to block adoption of the constitutional amendment convention that would be called for the purpose of requiring a balanced federal budget.

"Employee leaders believe such a constitutional convention could wipe out as many as 300,000 to 400,000 federal and postal jobs and reduce pay and fringe benefits of government workers."

If, as we pointed out last month, the balanced budget amendment is also scaring the bankers and defense contractors, it can't be all bad.... If your company is becoming featherbedded, call up Wilbur Mills. He's out of work and he doesn't hire employees for the sake of hiring employees. From 1963 through 1974, while he was chairman of the House Ways and Means committee, its staff ranged from 22 to 32. After four years under Al Ullman, the staff is 92.... Now that Barbara Jordan has departed, there are few members of the House who are sufficiently skilled as orators to have a reasonable chance of keeping their colleagues awake. The best of them is Jim Wright, the Texan who is majority leader....

In the sidebar to Fred Mann's article in this issue, we advocate short-term withdrawal from the international oil market in order to bring OPEC to its senses. We would, in other words, lay an embargo on them. It seems to me

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that we should also try short-term embargos on those of our other trading partners whose senses require restoration. Tell Japan, for example, that we will import no more of its products unless we are permitted free access to its markets. Use our potential for autarky, which is the ten-dollar word for a policy of national self-sufficiency and non-reliance on imports—which we are capable of sustaining, if not indefinitely, at least a good deal longer than most countries—to serve the ultimate goals of free trade and production by the most efficient.

Do you think "Deep Pocket" refers to some Watergate scandal? Well, you're wrong. It's lawyer language to describe a client, usually corporate, who has an apparently limitless capacity to pay fees. When you've hooked one of these dream clients you can, as equally elegant lawyerly usage puts it, "keep the meter running".... The kind of case these lawyers love is the one that has arisen out of the collapse of the Franklin National Bank in 1974. The lawyers for Michele Sindona, an Italian financier whose role in the bank's failure was such that he has strenuously resisted extradition, managed to con the judge who had been presiding over the hearings to disqualify himself because he had made a joke about Sindona. The result, according to Robert J. Cole of *The New York Times*, is that the other clients in the case, who have already spent $1 million in legal fees, will have to start all over again, while Mr. Sindona and all the lawyers in the case laugh and laugh and laugh.... If you wonder how even the best of men get brainwashed by the Washington power structure, examine the case of James Reston of *The New York Times*. He lives on Kalorama Square, where his neighbors are Frank Ikard, the oil lobbyist, Lloyd Bentsen, senator from an oil-producing state, Prince Mohammed el Saud of Saudi Arabia, and Douglas Cater, whose publication, *The London Observer*, is bankrolled by Atlantic Richfield.... It's interesting to note that another resident of Kalorama Square is Philip Geyelin, who, until last month, was the chief editorial writer of *The Washington Post*.... Do you think it was accidental that Reston and Geyelin were surrounded by oil lobbyists or do you think it was a conspiracy? It was probably a mixture of the two, with accident probably playing the dominant role. But the thing about Northwest Washington is that it lends itself to such accidents, and the results of the accidents are often little different from what would have been produced by deliberate conspiracy....

As one who advocates national service and as one who was once in the United States Army, I am happy to report that the Supreme Court has agreed to hear two cases that can expand the rights of servicemen to complain about mistreatment to federal officials who are not part of the military chain of command. I will never forget how, having spent eleven of the thirteen weekends of my basic training either serving on kitchen patrol or as latrine orderly—courtesy of my first sergeant, whose instinctive reaction to me was one of unbridled antagonism—I wrote a letter of protest to President Roosevelt. My undelivered letter was returned to me personally by the first sergeant with a smile on his face that I will never forget. The modern army isn't as bad as it was in *From Here to Eternity*, but I hope everyone in it will have the right to complain about his first sergeant....

The April issue of *Self* magazine contains an article called "You Can't Be Your Own Woman Without Money," by Leah Cahan Schaefer, who is described as a Manhattan psychotherapist who "finds her patients talk a lot about money."

Here are some of the things she says: "The earning of dollars is what ultimately faces a woman.... We buy things and services to indicate our places in the world. We measure the

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value of our selves by how much money we have. . . .We measure the value of our work by what someone is willing to pay for it. . . .Autonomy does not come from interesting, stimulating, important work. . . ."

Certainly it's important to the self-respect of a woman that she knows she can earn her own living, that she does not have to be dependent on her mate. But why does she have to imitate male culture by proving her worth through the *amount* of money she makes? Knowing that she can make her own living should free her from "buying things and services to indicate" her "place in the world," from "measuring the value" of herself "by how much money she has," and allow her to do "interesting, stimulating, and important work" with minimal regard for how much it pays.

But if Women's Lib falls into error from time to time, you have to admit it has a point when you read that while there are 34,000 males in the cockpits of commercial airlines, there are only 80 women. . . . What's more, only 8.1 per cent of occupied housing units are owned by women, according to HUD. . . .

As the head of a small business, I want to protest the trend toward the electronic transfer of funds in the banking industry. EFT, as it is called, would mean among other things that your payment to your creditors could be deducted from your account with unseemly haste. There have been many times when *The Washington Monthly*'s survival has depended on the week or so that usually elapsed between the time we mailed the check and the time it was deposited by the creditor and cleared his bank and ours. . . . Television docudramas like "Roots" present the same kind of danger as books like *Ragtime* and *The Public Burning*. They contain enough real events to make the viewer or reader think the whole thing is true, which it is not. . . . Do you sometimes suspect that American conservatives are no more than the front men for big business? If not, read James J. Kilpatrick's recent column *opposing* the deregulation of the trucking industry. . . .

My mother called me a few days after we had published Joseph Nocera's article about Barbara Jordan and said, "You're right, she's a great woman." That was, of course, not the message Nocera had in mind, but I understand my mother. I want to have heroes, too. Indeed, it was because of that feeling that I made one of my worst editorial mistakes. In 1969, Marvin Kitman submitted a manuscript to us entitled "George Washington's Expense Account."

I have never been so torn. Here was a very funny piece that proved that Washington was indeed the father of his country, having founded the practice of padding the expense account—as I recall, he took the Continental Congress for a cool half a million. On the other hand, I could not bear to destroy another hero at a time when there wasn't much left to believe in. While I was torn, Kitman wisely withdrew the article and submitted it to a publisher who paid real money. . . . Even after this learning experience I still have difficulty facing up to what I saw when I first visited Gettysburg several years later. Having been reared by parents whose family loyalties lay with the Confederacy, I looked upon Robert E. Lee as ranking only behind God—who, since my parents were also Democrats, I visualized as FDR. Anyway, as I stood looking at the field Pickett was ordered to charge across and saw the obvious dominance of the Union position, I remembered that Longstreet had said something to Lee along the lines of, "Look Bob this is madness. Call it off," after which Lee ordered the charge to proceed. If there's a message to this reminiscence, it is love your heroes, respect what they accomplished, but face their failures. It just might help you deal with your own.

—*Charles Peters*

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Memo of the Month

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 16, 1979

FOR: WHITE HOUSE ADMINISTRATIVE CONTACTS

FROM: LANDON KITE LK

SUBJECT: Steps to Improve the Quality of Presidential Signature Letters

There have been comments concerning the inconsistency in the quality of letters produced in various offices for President Carter's signature. On the basis of our discussion with the representatives of IBM, we offer the following information for those individuals in your office who type Presidential signature letters.

There are some steps you can take to eliminate "spatter" on Presidential letters produced on an IBM Selectric typewriter. "Spatter" is the tiny extraneous specks of ink and/or little fuzzy specks around the edges of the individual type-characters.

From a technical standpoint, the harder the impact of the type ball the more chance there is of "spatter" occurring. There are two control levers on the IBM Correcting Selectric typewriter which can be used to reduce spatter. These are:

- COPY CONTROL LEVER

  The copy control lever (located at the left top rear section of the typewriter) has five settings, "A" through "E", controlling the angle at which the type ball meets the paper. The "A" setting is to be used for a single sheet of paper and the "E" setting is to be used when there are several carbons required. It will be necessary for you to experiment with your machine to determine the best setting for conditions in-between these two extremes. The incorrect setting of the copy control lever can result in excessive inking or spatter.

- IMPRESSION CONTROL LEVER

  The impression control lever (located immediately to the right of the type ball) is numbered 1, 3 and 5 but there are actually five individual

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settings available with this lever. Setting "1" is for a light impact by the ball (when typing without carbons), and setting "5" is for the hardest impact by the ball (when producing correspondence requiring multiple copies). The harder the impact of the ball, the more chance there is of ink spattering off the ribbon onto the paper. The manufacturer of the Selectric typewriter recommends that the control lever should be set no higher than "3".

While these two levers can be used to control the quality of the type produced, there is some variation from machine to machine. Consequently, you will have to experiment to get the "feel" of your machine. For example, in order to type an original only, the lightest settings would be "A" on the copy control lever and "1" on the impression control lever. In another situation, where several carbon copies are required, the settings to the other extreme could be "E" for multiple carbon copies on the copy control lever and "5" on the impression control lever for the hardest impact.

Obviously, experimentation and experience with these control levers will enable you to produce the best quality of which your machine is capable. Should you still experience a problem with "spatter" or fuzziness, even though you are using the suggested settings for your machine, call the Office of Administration Supply Office, x2622, and inform them that you have an IBM Selectric typewriter and are having problems with "spatter" or fuzziness. There are additional adjustments that may be required on your Selectric typewriter. As a result of your call, the service representative will come and do this for you.

We have tried, and will continue to experiment with, different types and brands of typewriter ribbons but to date, the IBM Correctable film ribbon yields the best results.

If you have any further questions or comments, don't hesitate to call me.

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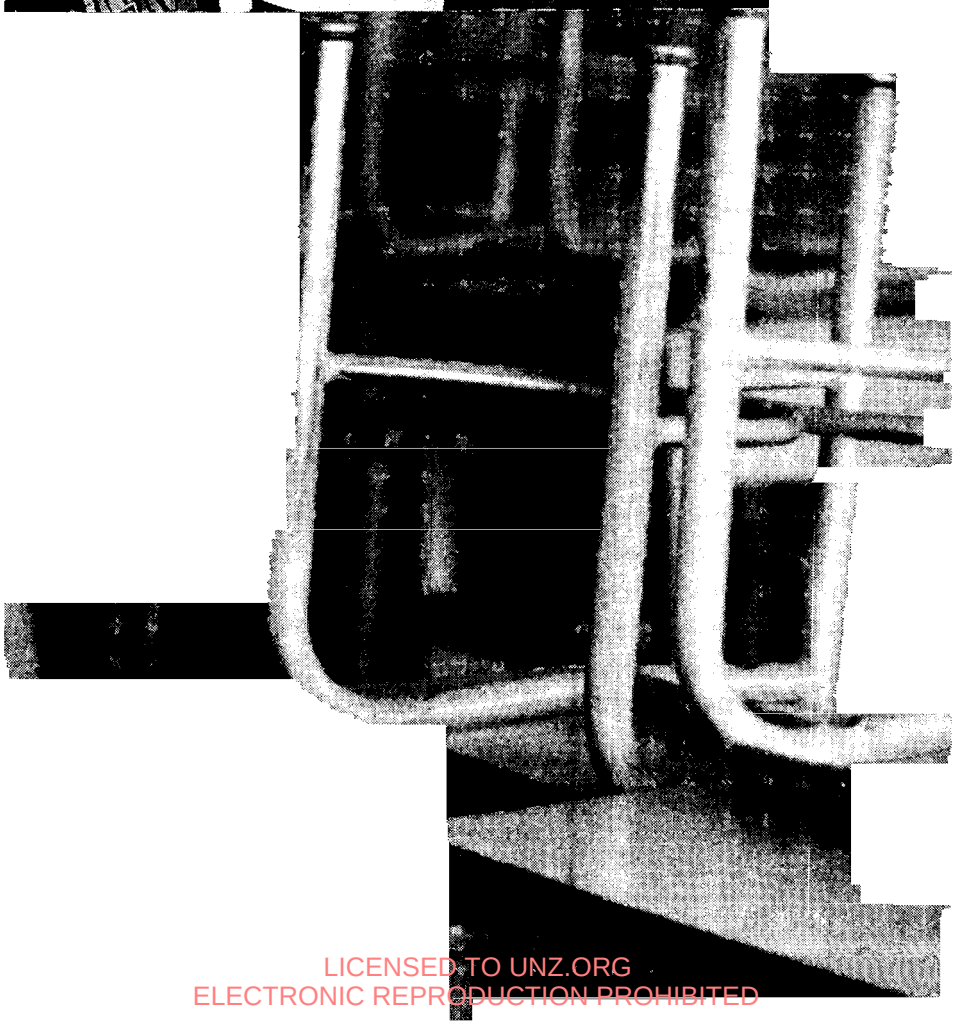

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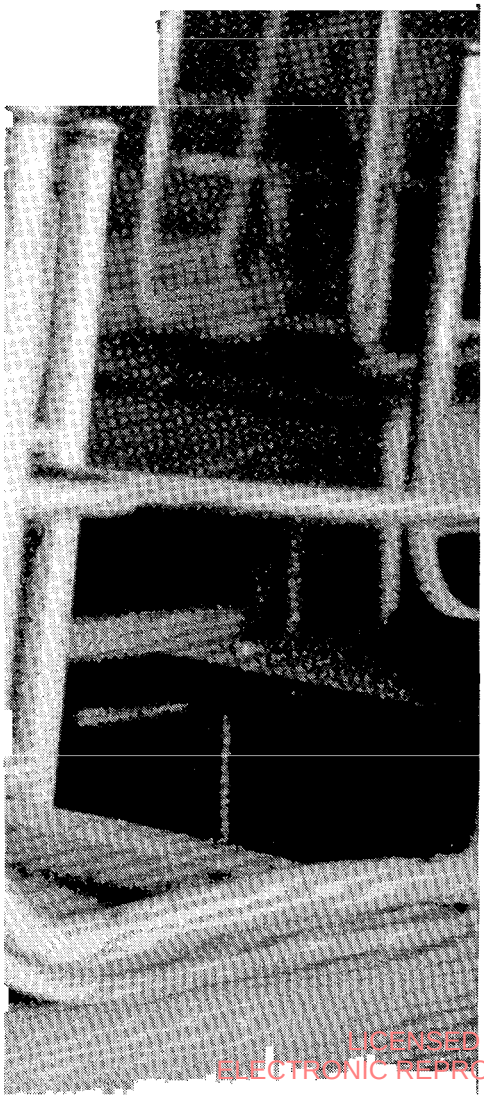
Saving Our Schools From the Teachers' Unions

by Joseph Nocera



This past March, the city of Washington was plunged into one of those crises cities have come to expect from time to time. On the sixth of the month, the Washington Teachers Union called a strike, and depending on whom you believe, either 50 or 80 per cent of the city's 6,000 public school teachers walked off the job—enough of them, at any rate, to effectively cripple the school system.

The strike was a bitter, acrimonious affair, made more bitter and more acrimonious with each succeeding day. Positions hardened, and tempers flared. Negotiations faltered, broke off, then started up again. Insults became *de rigeur*—union president William Simons took to calling the school board a collection of "stupid ignoramuses"; board members responded with accusations that Simons was "pig-headed" and a "liar."

Through it all, the public schools remained open, but there wasn't much the undermanned staffs could do besides hold study halls all day, so after

Joseph Nocera is an editor of The Washington Monthly.

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the first few days many kids simply stopped going to school for the duration. Each side busily pointed an accusing finger at the other while invoking that favorite cliche for these occasions—"It's always the children who suffer"—as, indeed, they did. (High school seniors, especially, were pained by the strike because this was the time of year when teachers ordinarily write recommendations and prepare transcripts for colleges.) This was the way it went for the four weeks it lasted: a judge issued a back-to-work order and was ignored; the mayor's efforts at compromise and mediation were rebuffed; the union vowed to stay out for "as long as it takes." In many of the most obvious ways, in other words, the Washington teachers' strike was like hundreds of others that have come before it.

In some important ways, however, it was not. What made this strike different—and significant—was that it was instigated not by the union's demands for "more," but rather by the school board's demands that it accept "less." This was the first time in memory that any government managers on any level have tried to force a public employee union to give back some of what it has won in contracts over the years; in this case, to roll back some of the rights and powers teachers have gained that dramatically affect—and in some ways, control—the operation of the school system.

Teachers, of course, found this notion offensive (hence the strike), for they are quite happy with the way things are right now. By the standards of the profession, they are well paid; their salaries, averaging $19,400, are at least $1,000 higher than what teachers make in the surrounding suburban counties, and a good deal more than the average in most big-city school systems. Their working conditions are less than strenuous; teachers here work a six-and-a-half-hour day, of which five hours are spent in the classroom, in a school year that lasts 180 days. These figures, too, are as low as any in the area or the country. Teachers in D.C. have veto rights over most assignments and transfers; rigid seniority rights that protect them in case of layoffs; tenure after only two years; a grievance procedure so liberal that teachers can take to binding arbitration *anything* that upsets them, whether or not it is in the contract; and evaluation procedures so cumbersome and due process rights so time consuming as to insure that precious few teachers—and then, only the grossest of incompetents—will ever have to fear for job security. Washington teachers have a sweet deal and they know it.

It had reached the point years ago when the schools were being run more for the benefit of the teachers than the students. (Example: one provision in the contract says teachers have to meet with parents only three times a year on designated parent-teacher nights. If a parent wants to see a teacher sometime other than these three nights, a teacher has a contractual right to refuse.) And for years, school boards had chafed, feeling, rightly, that so much had been bargained away that board members, administrators, and especially principals, were handcuffed when they tried to make even the smallest changes in the schools. But no board had been willing to do anything about it. The teachers were too strong, the union too powerful, and they knew that when Simons threatened strike, he had the clout to make it stick. And something else too: thanks to a quirk in the way the D.C. city government works, no board had any authority to bargain for money, only general work rules and conditions.

The impotence of the board in salary matters dates back to the days of home rule, when Congress ran the city, and all raises for Washington city employees had to be approved by the subcommittees handling D.C. affairs.

Throughout the 1960s and 1970s, this system worked wonderfully for teachers. They saw their salaries rise with startling regularity as Congress bought the teachers' argument that, first, they deserved what other big-city teachers were earning, and later, after

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this parity had been reached, that they deserved to get the same percentage increase as federal employees. In a city full of government employees, teachers argued that this was the only way they could keep up with dreaded inflation. So as federal workers got their six or seven per cent cost-of-living increases, so did the city's teachers. Later, when Washington won the right to run its own show, the D.C. City Council, not the school board, was given the authority to set teacher salaries, and the council turned out to be even more generous than Congress had been. It passed a bill that made cost-of-living raises *automatic* for most city employees, including teachers, whenever the federal government granted such raises for its own civil servants. The practical effect of the law is that teachers will never have a compelling need to bargain for higher salaries, since thanks to the civil service, regular raises are virtually guaranteed.

The other, more important, effect is that during negotiations with the teachers' union, the school board here has never been able to "buy back" changes it has wanted in the contract. Since it has no authority over salaries, it cannot promise higher wages in exchange for the right to scrap or rewrite provisions in the contract.

If you're a teacher in Washington, this cost-of-living arrangement seems equitable enough—why, after all, should you be left behind when everyone around you is making more money? But if you happen to be a parent with a kid in the D.C. school system, or a taxpayer who is footing the bill for those raises, then there are bound to be other factors at play besides the teacher's inalienable right to keep up with the Joneses. Other questions come to mind, such as: What are you buying with all those salary increases? Are teachers doing a better job the more they are paid? What kind of education are your kids getting? And what kind of school system are you receiving for your tax dollars?

The Wrong Equation

The most obvious question—what are you getting for your money?—is the one the current school board asked too, and it came up with the obvious answer: not very much at all. By any standards, the Washington public school system is among the worst in the nation. Unlike past boards, however, this one decided it was time to take on the union, feeling that the contract had to be loosened some if the schools were ever going to get better.

In 1980, the D.C. Board of Education finally will gain the right to negotiate teacher salaries, and theoretically at least the right to "buy back" what it wants from the union. But the board members didn't want to wait that long—and besides, they reasoned, why should they have to *buy* back if too much had been given over the years? The teachers are the highest paid around. They work the fewest hours and days. Their students do the worst of any in the area. There is a lot wrong with that equation, and buying back provisions in the contract, especially with Washington suffering the same financial problems as other big cities, didn't seem like the right way to solve it.

What did seem right was to have teachers spend more time in school helping kids who need it. So when contract negotiations began, the board put a longer workday at the top of its list of demands. At six-and-a-half hours of work a day, teachers are hardly overextended; and the board reasoned, with considerable logic, that people earning nearly $20,000 a year ought to be willing to work more than that. A half hour more, maybe? A little time tutoring a student after school who needed it? The union says that more teaching will turn teachers into mindless robots, but out in Arlington and Fairfax Counties in nearby Virginia, teachers somehow struggle through a longer workday (and at less pay than their Washington counter-

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parts) and seem to be suffering no ill-effects. Union officials also say that extra teaching won't do the kids any good so it's not worth the teacher's effort, an argument that strikes me as so cynical as to border on the obscene. And again questionable; out in those Virginia counties, kids do seem to be learning more than kids in Washington. At any rate, what the board proposed in having the teachers work a longer day was hardly a return to indentured servitude; it seemed, in fact, a small, but intelligent step toward improving schools for D.C. students.

The Story Test Scores Tell

If you are wondering, at this point, just how bad the D.C. public schools are, here is the story the test scores tell: Although Washington's teachers are the best paid in the area, their students consistently get the lowest test scores in the area. Nationwide, when standardized (SAT) test scores were published recently, D.C. students scored 100 points below the national norm. And there's this unflattering comparison of Washington's schools with other big-city school systems: when the test scores were compiled for students in the 15 largest cities in the country, Washington came in next to last.

Washington's schools are in enough trouble that no one connected with them tries to gloss over the problems. Such denials would look foolish in the face of what is simply overwhelming evidence: high school seniors who can't read; whole classes of tenth graders doing sixth and seventh grade work; graduates of the D.C. school system who aren't even able to understand bus signs. These are not isolated cases—the breakdown in education here has been on a massive scale. "In the math department of DCTC [D.C. Teachers College, a school filled almost entirely with graduates of the D.C. public school system]," reported *The Washington Post* a few years ago, "more than 80 per cent of incoming freshmen score so low on an arithmetic exam that they are required to take remedial courses, starting with work normally taught in fifth and sixth grades." (Until it merged with two other colleges to form the University of D.C., this was the school that trained most of the people who ended up teaching in the D.C. school system.)

Albert Shanker, president of the American Federation of Teachers (of which the Washington Teachers Union is an affiliate) can say, as he has, that "there is no evidence that private schools do a better job than public schools"; but you won't find anyone in Washington who believes it. There are a lot of people in this city—good, liberal men and women —who believe strongly in the concept of public schools, the democracy with the small "d," and who badly want to see it work. They tried putting their kids in the public school system, stuck with it as long as they felt they could, and then gave up. It wasn't working. The teachers, the system, the other kids—whatever the reason—one thing was clear: there wasn't any *learning* going on. And it wasn't just white kids fleeing black schools. Washington is largely a black city, and the school system overwhelmingly so (over 90 per cent of both teachers and students are black), but black parents who could afford to were also taking their children out of public schools. There is even something here called the "Black Student Fund," a scholarship set up so that black kids who have potential but lack means can get a private school education. "We get tons more applications every year than we can handle," said one person connected with the fund.

The Washington Teachers Union, as one might expect, devoutly denies that the quality of teaching has anything to do with the failure of the school system. Ask Simons how he rationalizes his teachers' high salaries and their students' low test scores, and he says blandly, "How do you measure the

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effectiveness of teachers?" Ask Shanker why parents who can afford it prefer to send their kids to private schools, and he blames the problems of the public schools on the "great liberal victories"—from integration (and the ensuing white flight), to the abolition of the tracking system, to the mainstreaming of handicapped children—for placing enormous burdens on public school teachers and for making life in the public schools less, well, less pleasant. "What parents are really saying when they put their kids in private school is 'Who do I want my kid to sit next to,'" he adds. There is a grain of truth in some of this—it *is* hard to measure how well a teacher teaches, and those "liberal victories" *have* made teaching a more difficult job—but difficult enough to excuse high school graduates who can't read? Or college freshmen who need remedial work in fifth-grade arithmetic?

To anyone with a less-vested interest, it is pretty plain that the teachers here are a lot of the problem. Over the years, the D.C. public school system has hired a large number of people as teachers who don't know what to do in front of a classroom. They went to DCTC, took the right courses—"Sociology of Urban Youth" and "Educational Psychology" are two courses required to become a teacher in the D.C. public school system—obtained the right credentials, and were hired, but they couldn't teach. They got their jobs solely on the basis of an interview with someone in the school department personnel office and those DCTC teaching credits; no tests were given prospective teachers since the department stopped testing in 1969, and the union forbids school administrators from watching potential employees perform in a classroom before hiring them. Once hired, these teachers slid by for two years, after which they were tenured, and then built up some seniority and became entrenched. *But they still couldn't teach.*

That is the most important thing those parents who stuck with the public school system found out, and that is what finally drove them to put their kids elsewhere. It wasn't the kids their children were sitting next to who were causing problems, as Shanker would have us believe, it was the adult standing up in front. That became even clearer after their kids had been in private school awhile. The private school teachers made much less money, worked much longer hours, didn't have any of those courses in Sociology of Urban Youth, weren't busy trying to get a master's degree (as public school teachers must do to go up the pay scale), but they could teach. In a classroom, they could make subjects come alive.

These good teachers weren't that hard to find either. There is a tremendous teacher glut in this country, with a lot of young teachers hungry for work, and the private schools have been getting most of them. They can test teachers if they want, audition them, take whatever steps they think are needed to insure they're getting the best teachers they can find. The private schools have been able to take advantage of the teacher glut in a way the public schools, with their seniority, tenure and procedural rights for teachers, haven't. Public schools have had to get by with the teachers they have. In Washington, for example, it has meant making do with teachers hired in the 1950s and 1960s, a time when there was a severe teaching shortage and public schools here were so desperate for teachers that just about anyone who walked in the door with credits from DCTC and a clean police record was likely to be hired. In those days, teachers still had to pass two exams to qualify to work in the D.C. school system, and applicants were failing the tests in droves. But because of the shortage, they were hired anyway, supposedly on temporary status. According to one account, by the mid-1960s, 45 per cent of all

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D.C. teachers were working on temporary status. Today, these teachers are still there, with tenure and seniority, even though they should never have been hired in the first place.

The surest way to improve teaching in Washington, of course, is to fire incompetent teachers; but the board, in this dispute, didn't dare suggest anything so drastic. Board members know that the grievance and procedural rights make it close to impossible to fire a teacher. (One union official I spoke with went on at some length about how the union had just won a victory after a year-long fight to retain jobs for two teachers who had been fired for "unsatisfactory" evaluations. "The principals messed up in the procedures," he said, "and they can't do that if they want to fire somebody.") But the board also knows that those procedures are the most sacrosanct items in the contract. (Shanker: "If you murder someone, you still have the right to your day in court. It's the same for a teacher. That's the American way.")

And the board knows, finally, that smaller steps suggested in the past by school boards have always been rejected by the union. Like most AFT affiliates, the Washington Teachers Union is tough and militant, and it doesn't take kindly to suggestions that will make it easier to fire members, no matter how justified. Thus, when the board of education and the school superintendent began years ago trying to devise ways to toughen teacher evaluation, the union blocked it, eventually working out a new evaluation system that is even more time consuming than the old one. When board members recently talked about having teachers take tests again to see if they were qualified to teach, union resistance was even fiercer. And when one board member suggested students be tested at the end of every year and teachers' effectiveness gauged by the progress the students had made, a union official responded in this fashion: "If they ever did that, our teachers would just teach the test."

In the face of this past resistance, the board ended up in negotiations proposing an almost ludicrously small step: teachers who were having trouble in the classroom should spend some time in training programs that would help them do a better job. We won't get rid of them, in other words, all we want to do is train them. The obvious weakness of the proposal lay in its belief that teachers can be trained to perform in the classroom. Teachers, in many ways, are performers, and what they do requires a talent and a gift that can't be drummed into people. That was not, however, the reason the union objected. They were upset because these training programs would require teachers to spend more time in school—their work year, heaven forbid, might be extended by another two or three weeks!

Restoring Some Sanity

I should mention at this point that the other school board demands that led to the strike were similar in tone; small steps, not radical proposals. Some, like the longer day, made great sense, and others, like the longer year, did not, but this was not a wholesale rape of a union contract. It was an attempt to restore some sanity to a situation that was out of control. I should also mention at this point that the school board got clobbered.

The event that precipitated the strike was the board's refusal to extend the contract for what would have been a fourth time since its original expiration in January 1978. In the year between January 1978 and last February, negotiations had gone nowhere. Labor pros in the city said the board was "seriously out of touch with reality" for thinking it could ever win back anything that had already been won by a union without offering more money. The world just doesn't work like that. Indeed, even when New York City was on the verge of bankruptcy, city

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officials couldn't persuade its public employee unions to give back many of the enormously expensive fringe benefits, like the 36-hour work week and the liberal sick leave policies they had won over the years, even though these benefits had contributed mightily to the decline of the city. And no union leader, particularly one who has to face reelection every few years like Simons, is going to stand for a contract that calls for give-backs.

So when the contract was not extended, and the board refused to continue deducting union dues from teachers' paychecks, Simons said he had no choice. He couldn't sit by and allow the contract to expire. He *had* to pull his teachers out on strike.

Given the state of the schools, what is probably most surprising is that for the month the strike lasted, there seemed to be a general perception in Washington that, yes, Simons was right, he had no choice. A union couldn't be expected to give back past gains. The mayor, a former president of the school board himself, was one who felt that way. He saw to it that the union won by stepping into the fray and asking the judge to restore the old contract, which she did.

Other unions gave the teachers moral support—that's to be expected, of course—but so did much of the citizenry. The board members were usually the ones vilified; the union had acted "responsibly."

One reason for the general feeling of sympathy towards the union, I think, is that there once was a time when Washington's teachers really did need some protection, and many of the people living here still remember that. Back in 1967, when William Simons was negotiating the first contract for the teachers, there was a general sense that teachers could be—and were—abused by people in power. The symbol of this abuse was the "principal-dictator," a person who ran his school like a little fiefdom, passing out the cushy jobs and best assignments to his favorites and punishing others for no reason other than whim. The contract Simons won in December

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1967 changed all that. It was hailed at the time as the most progressive contract in the country, the one against which all school contracts in the future would be measured. It righted all the obvious wrongs. But it also set up all the procedures, processes, rights, and committees that have made managing the school system such an impossible task. From the point of view of the teachers, and the labor movement in general, it was indeed a progressive contract and a great victory. It made life in the school system much fairer, but it also helped push the school system toward its long decline.

Seniority is probably the best example of the double-edged nature of the contract. The seniority system's great appeal rests in its elimination of blatant favoritism. With seniority, teachers can't be laid off just because their principal doesn't like them. But in Washington, the seniority system has also been extraordinarily harmful to students.

As it has become clear that Washington school kids are not learning the basics, a number of superintendents have tried to devise ways to get more basic instruction to students who need it. The seniority system has repeatedly thwarted those efforts. "I remember asking social science teachers what their biggest problem was," says Barbara Sizemore, a former superintendent who created waves of controversy when she was here, "and they all said the trouble was their students couldn't read well enough to handle the subjects." The solution seemed simple enough: replace some of the social science teachers with some basic reading teachers. Give extra lessons in reading, and deemphasize social science for those students who couldn't handle it. The union took one look at this proposal and said, no dice—social science teachers have tenure and are, therefore, unfireable. So the social sciences continue to be taught in the D.C. public schools by teachers who aren't needed to kids who can't learn it.

Whenever there are layoffs in the school system, the routine is the same. The most recent hirees are the first firees—no favoritism there. But neither is there any sense of what the *students* need. And it's not just the teachers, either, as union officials are fond of pointing out. There are plenty of poor administrators in the system too, but just try to get rid of them and you bump into the same problem—it turns out even they have a union.

So when one superintendent, forced to make some budget cuts, decided to rid his administration of some middle-management fat, he couldn't do it. His middle managers, you see, all had more seniority than his principals, who had more seniority than vice principals, and so on down the line. Trying to get rid of people in the front office who weren't needed meant, finally, that more valuable employees out in the schools, people with real work but less seniority, were the ones let go.

The Bureaucratic Class

There is another, much more troubling reason why the citizenry here supported the striking teachers. Many people in Washington have the same kind of deal the teachers have—they get cost-of-living raises to "keep pace with inflation," and they have tenure or at least enough procedural rights to mean the same thing. As a result, in their minds there exists little relationship between how good a job someone does and what his financial situation ought to be—indeed their focus is often so much on pay and working conditions that what is actually produced recedes to distantly secondary importance. Washington is an expensive town, they think; everyone has a right to enough money to get by comfortably, whether or not they teach well or get people's social security checks out on time or whatever.

These people make up what might be called the bureaucratic class, and they encompass most of white-collar Washington. Their mindset dominates the government, with disastrous effects

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on the ability of the government to deliver the goods. The teachers believe they should never be fired no matter how shoddy their work. They see raises and promotions as part and parcel of the job, not as a question of performance. To put it bluntly, all the evidence says that what's in their contract is more important to them than what their students need.

The same mentality allows the railroad unions to force Amtrak to pay a full day's wages for a two-and-a-half-hour workday, as Deborah Baldwin explains elsewhere in this issue. It makes New York sanitation workers fight to keep three men on a truck when only one or two are needed, at a time when New York needs desperately to save money. It results in the government bureaucrat worrying far more about what goes on inside the building where he works than out in the field.

What happened in Washington last March was an attempt to change some of that thinking. The school board was trying, in a small way, to relate pay to productivity when it said teachers in the District of Columbia should work more than teachers in Arlington County, since they're paid more, and that teachers ought to stay after school to help kids who need it. The school board was trying to show that a job in government is not a right but a commitment. It was trying, most of all, to put what the students need above what the teachers want. And in all of this, it failed.

'We Have No Margin'

William Raspberry, a columnist for *The Washington Post*, summed up the attitude of most of Washington toward the teachers when he wrote: "I happen to believe the board needs desperately to recoup its bargained-away policy authority. . . .I believe there is a case to be made (though the board hasn't made it very convincingly) for bringing the workday and workyear up to the standards of other jurisdictions in the metropolitan region.

"But how can anyone expect the union to bargain away past gains to a board that has nothing substantial to offer in exchange?"

Normally a man of considerable perception, Raspberry here blindly accepted the notion that what a public employee union has gained in the past, no matter how excessive, can be won back only through bribing union members with higher salaries or better fringe benefits. That sounds fair only because Raspberry, the union, and the bureaucratic class generally somehow don't regard annual cost-of-living raises as real raises. So while in fact the Washington teachers' salaries have gone up and up in recent years, everybody in Washington thinks of them as having been steady, not increasing.

Now certainly the cost of living *does* go up every year, and ideally people shouldn't see their real earnings constantly decreasing. Similarly, it's unfortunate when someone who supports a family is fired, and sometimes this can happen for capricious reasons unrelated to performance on the job. Giving people guaranteed cost-of-living raises and tenure ensures that these unfortunate things won't happen. That's very nice. But what people in Washington don't seem to realize is that we are paying a terrible price for these guarantees. The government doesn't have unlimited funds. When incompetents are protected and raises automatic, something has to give. And what gives is the quality of teaching in the public schools. When teachers get absolute protection, students get screwed.

In the D.C. school department, there were 10,639 employees in 1972, of whom 6,500 were teachers (these figures are from the D.C. appropriations subcommittee). By 1978, the total number of employees had dropped to 9,753, with a corresponding drop in the number of teachers. But in that period the amount the school department spent on salaries went *up* 65 per cent, from $133

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million to $202 million. New books and equipment that are needed haven't been bought; that and fewer teachers, are the price we pay for tenure and automatic raises. In New York, where the city government is in much worse shape, there have been massive layoffs and corresponding cutbacks in all sorts of city services, but no public employee union leader has yet suggested eliminating cost-of-living increases instead.

You may be wondering why you haven't read more in the newspapers about school departments scrimping on books to pay teachers' raises. One reason is that, more and more, reporters have a sincere empathy with the problem of the bureaucratic class because more and more they're members of that class themselves. They get cost-of-living increases and have tenure, and would be horrified if these things were taken away from them. So naturally they're not inclined to take a tough look at whether the teachers' similar position is just.

On the front page of the *Post* a few weeks ago, there was a classic example of this kind of blinding empathy. Under the headline, "Couples: The Dual-Income Dilemma," there was a lengthy article explaining the difficulty and horror of Washington's professional couples trying to make ends meet. Oh, what awful and tear-wrenching problems faced these people. Their combined incomes probably ranged from $70,000 to $150,000, but, as one man put it, "with all the money we make, we have no margin." One couple described in the article spends $2,798 a month. "This includes $195 for dinner parties and dining out, $660 for the mortgage and $537 for tax shelters," the article said. "It also includes money for vacations." Said the husband, "You don't feel wealthy when you think of what it costs to live in Washington."

The author of this article, Blaine Harden, is new to the *Post*; chances are he paid dues on a paper in a small town where he was content to work 60-hour weeks for $200. But now, having arrived in Washington and at the *Post*, things must look suddenly different.

The *Post* chapter of the Newspaper Guild has said repeatedly that its members need raises just to keep pace with inflation. In a newsletter sent out late last year, the guild's chairman offered these insights into the plight of the poor *Washington Post* reporter:

"He brings lunch to work at least three times a week. To make ends meet at home, his family uses margarine instead of butter, milk instead of cream, cloth instead of paper napkins. The family, for whom he is the sole support, has abandoned Safeway for a buying co-op where food is cheaper. His five children are clothed, in part, in hand-me-downs from neighbors. There is no money for savings, little for home repairs. There is no additional life insurance beyond what the *Post* provides.

"He is a journeyman reporter with 18 years in the business. His salary: $650 a week, $33,800 a year."

What? He can't make it on $650 a week? On the face of it, this seems absurd, inflation or no inflation. But read on and the reason becomes clear:

"Four of the kids are in private school, because the D.C. public schools proved woefully inadequate. The tuition eats up more than $5,000 a year. Next year, one child alone will cost as much to send to college."

So we have come full circle. The teacher has demanded and gotten automatic cost-of-living raises and total job protection. Partly as a result, the public schools are lousy. The reporter, understandably, wants his kids in private school. To keep up with that expense, he wants cost-of-living raises and total job protection. Once he gets that, he's likely to look with sympathy on the teacher's attempt to hold on to the same deal. So the teacher's demands will be widely accepted, and he'll keep his raises and his tenure, and the schools will stay lousy. On and on it goes, and nobody in the bureaucratic class really loses. The losers are the kids in public schools. ■

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Who's Who in the Administration

Pat Lucey, the former governor of Wisconsin who is Ambassador to Mexico, has been under attack from the foreign service and the American community in Mexico, because he replaced all of his senior staff, cut back on dinners and receptions, and failed to seek the advice of American businessmen as often as they deemed appropriate. However, the Mexicans say they like him and the word is that Carter will keep him. . . . Of the new crop of senators, the class of '78, cynics are saying that the Republic would have fared just as well if they had been selected at random from the phone book. The worst is **Gordon Humphrey** of New Hampshire, who, it is said, makes Virginia's **Bill Scott** look brilliant by comparison. . . . Of course it should be noted that the senior senator from New Hampshire is known behind his back as "Turkey Durkin."

In

WHITE HOUSE

Deputy Associate Director for Intergovernmental Affairs, Office of Management and Budget—**Richard R. Hite** has been deputy assistant secretary of Interior since 1970.

Special Assistant, congressional liaison staff for the House—**Robert W. Maher** was director of research and planning for the House subcommittee on Health and the Environment.

COMMERCE

Undersecretary of Commerce—**Luther H. Hodges Jr.**, son of the Secretary of Commerce in the Kennedy administration, was a professor at Duke University Business School. Hodges ran unsuccessfully for the North Carolina Senate last fall.

Inspector General—**Mary P. Bass** was general counsel and vice chancellor for legal affairs of the New York City Board of Higher Education.

Deputy Director, Bureau of Trade Regulation—**Robin B. Swartzman** was an attorney with Fried, Frank, Harris, Shriver and Jacobsen in New York.

HEW

Director, National Institute on Drug Abuse—**William Pollin** has been director of the Institute's research division since 1975.

JUSTICE

Special Counsel, Investigation of the Carter family peanut business—**Paul J. Curran** was U.S. Attorney for the southern district of New York during the Nixon administration.

STATE

Ambassador to Czechoslovakia—**Francis Meehan** has been deputy chief of mission in Bonn.

TRANSPORTATION

Inspector General—**Frank S. Sato** was the deputy assistant secretary of Defense for audit.

Assistant Secretary for Governmental and Public Affairs—**Terrance L. Bracy** was Assistant Secretary for the congressional and governmental affairs office, which was merged with the public affairs operation to create this new office.

Member, board of directors of the National Railroad Passenger Corporation—**M. Athalie Range** is a former secretary of the Florida Department of Community Affairs.

AGENCIES AND COMMISSIONS

ACTION

Director, Peace Corps—**Richard Celeste** was until January the lieutenant governor

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of Ohio. He ran unsuccessfully for governor last year. In the sixties he served on the Peace Corps staff in Washington and as an assistant to Ambassador Chester Bowles in India.

Equal Employment Opportunity Commission

Director, Office of Systematic Programs—**Michael Middleton** was assistant to the deputy director of HEW's Office for Civil Rights.

General Services Administration

Administrator—U.S. Navy Rear Admiral **Rowland C. Freeman III** has been commandant of Defense Systems Management College at Fort Belvoir, Virginia, for the past two years.

Merit Systems Protection Board General Counsel—**Evangeline W. Swift** was the managing partner of Swift and Swift law firm and a former assistant general counsel of the Equal Employment Opportunities Commission.

Director of Administration—**Willis E. Greenstreet** was director of the management information and data systems division of the Environmental Protection Agency.

National Aeronautics and Space Administration

Inspector General—**Eldon D. Taylor** has been assistant director of the National Science Foundation since 1974.

National Credit Union Administration

Chairman of the Board—**Lawrence Connell Jr.** has served as administrator since 1977.

National Transportation Safety Board

Member—**Patricia A. Goldman** has been executive director of the Wednesday Group, an informal group of moderate House Republicans. She also chairs the Republican Women's Task Force of the National Women's Political Caucus. She will succeed Philip A. Hogue.

Occupational Safety and Health Review Commission

Acting Executive Director—**Robert C. Gombar** was general counsel of the agency.

Small Business Administration

Inspector General—**Paul Robert Boucher** was deputy section chief of the General Crimes Section at the Justice Department's Criminal Division.

Out

Commerce

Secretary of Commerce for Tourism—**Fabian Chavez** in addition has submitted his resignation to the U.S. Travel Service, which he also heads.

HEW

Assistant Secretary for Public Affairs—**Eileen Shanahan** will be assistant managing editor of *The Washington Star*.

Agencies and Commissions

General Services Administration

Administrator—**Jay Solomon** has resigned after a long-standing conflict with the White House.

Interstate Commerce Commission

Commissioner—**James E. Gray** has withdrawn his name from consideration. He cited business reasons and the expense of moving his family to Washington. He is currently secretary of the executive cabinet of Kentucky Governor Julian Carroll.

Occupational Safety and Health Review Commission

Executive Director—**Ruth O. Robinson** will become executive secretary of the D.C. City Council.

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Why Warnke Quit

by Nicholas Lemann

Last October 5, the papers ran a big story reporting that the United States and the Soviet Union were on the verge of reaching a final agreement on the second phase of the Strategic Arms Limitation Treaty, known as SALT II. SALT II has been in negotiation since 1972, and when Henry Kissinger left office he said it was 95-percent completed; but early in the Carter administration the Soviets publicly rejected a set of American proposals, and the talks had seemed stalled. Now, a year and a half after that, substantial progress had been made, and only a few minor matters remained to be resolved before SALT II would be signed and brought before the Senate for approval.

It was also announced that day that the chief American SALT negotiator and director of the Arms Control and Disarmament Agency, Paul C. Warnke, would be stepping down and returning to private law practice. It was no secret, Warnke said, that he could stay in the job only a limited time, due to "personal commitments."

Immediately Warnke's many critics—mostly senators who are hard-liners on defense matters—began to speculate that he was resigning not for personal reasons, but because President Carter was forcing him to. Carter, they said, realized that more than a third of the Senate (that is, enough to vote down SALT II) had voted against Warnke's appointment, considering him too soft. So, the theory went, Carter felt that with Warnke as its chief salesman the completed treaty couldn't pass, and Warnke had to go. When Carter appointed as the new head of the Arms Control and Disarmament Agency George M. Seigneous II, a retired general, president of a military college in South Carolina, and a man with impeccable hard-line credentials, it seemed to bear out the view that he was looking for someone who could do a better job than Warnke of persuading the Senate hawks.

This theory was plausible on its surface, but inconsistent with the nature of Jimmy Carter, a man extremely loath to fire anyone. Responsible voices quickly came to Warnke's defense. Joseph Kraft, in a column entitled "Warnke: Pulled, Not Pushed," wrote: "He is leaving the government for family reasons and because his law firm has an immediate and imperative need for his services." Kraft continued: "I have known Warnke for more than 25 years. I have admired him at all times as a person of high intellectual acumen and passionate integrity. . . . Warnke has three sons in college and a daughter in graduate school. Annual tuition costs come to more than $25,000. As a senior partner in the small law firm headed by Clark Clifford, he was able to meet that obligation and maintain two homes. But doing it on the $58,000 salary of the disarmament negotiator was something else." A few days later the editorial column of *The Washington Post* chimed in with more praise. "The

Nicholas Lemann is an editor of Texas Monthly *and a contributing editor of* The Washington Monthly.

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Photo by Diana H. Walker

SALT talks are reported to be on the verge of producing an agreement. . . . " the Post said. "These are substantial achievements. . . . As part of the personal harassment to which he had been regularly subjected, it is being said of Mr. Warnke's departure that he was pushed. . . . As it happens that is false. . . he is leaving by prearrangement for reasons of his own."

The argument about Warnke's departure was taking a curious form, with his critics making him out to be a martyr to his beliefs and his friends saying no, it was money that made him leave. The logic seemed to be that if Paul Warnke had left government because of his views on arm control, that would reflect badly on him, but if he had left because he wanted to continue to maintain two homes (one of them is in Northwest Washington, the other on Martha's Vineyard), that would reflect well on him. Neither side suggested that Warnke was doing an excellent job and should have stayed on, which appears to be the case. The reason nobody suggested it is that Warnke was ordering his life according to standards completely unremarkable in the world of people who live in Washington and move in and out of government—a world where a $58,000-a-year job is a sacrifice and hardly any job is important enough to demand of its holder a consuming passion.

Balancing the Two

Paul Warnke was born in 1920 and grew up in a small town outside Boston. He graduated from Yale in 1941 and served in the Coast Guard during World War II. As it did for so many young men of his generation, the war got him interested in politics—because, he says, "I felt things needed changing." He considered a career in the foreign service, but instead went to Columbia Law School, where he did extremely well; in his last year, he was editor-in-chief of the law review. The natural next step after that would have been to join a Wall Street law firm, but because of his interest in politics Warnke veered slightly away from that and in 1948 came to Washington to work at the capital's largest and most prestigious firm, Covington and Burling, where he stayed for the next 18 years.

Covington and Burling has for 50 years been a place from which people go into the high reaches of government. It was the first major law firm in Washington, and the home of one of the first men to make a career of going back and forth between a Washington law firm and the government, Dean

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Acheson. In his own writings, Acheson delineated probably better than anyone else the mindset of the in-and-outer.

Acheson clearly felt that being a lawyer at Covington and Burling was somehow more public-spirited and self-sacrificing than working in a firm on Wall Street. In New York, he wrote in his memoirs, "our friends were rumored to be amassing wealth, while we, in our quiet backwater, went on learning our trade." Acheson by no means wore sackcloth throughout his career; he had two homes too. But in matters monetary everything is relative, and compared to his law school classmates he was living a modest, comfortable life. It is doubtful that Acheson would have wanted to live in a railroad flat, but his willingness to take government jobs, for which the salaries were then quite low, was an indication of the value he placed on public service. He was prepared to make financial sacrifices, and so, although he certainly must have been in the top one per cent of the country in income, he was more selfless than most of the people he knew.

Of course, it wasn't *all* sacrifice. Acheson never concealed very well his boredom with the day-to-day practice of law. He wanted to deal with the major public issues of his time, and serving in the government was the way for him to do that. So two goals were built into the careers of Acheson and people like him: the goal of being a successful, secure, financially comfortable lawyer, and the goal of making some larger public contribution. To give up either goal entirely was out of the question; an important part of life was balancing the two. When, for instance, Roswell Gilpatrick resigned as deputy secretary of Defense in 1964, in the middle of the escalation of the Vietnam war, it was said that he did so because he didn't want to be *only* a deputy secretary of Defense, didn't want that to be his sole great achievement in life. He returned to his law firm, Cravath, Swaine, & Moore in New York, because he was at an age when he could still rise to the leadership of the firm, while if he had stayed at the Pentagon much longer he would have had to give that up.

The balancing act worked because the government valued these lawyers. People from outside the government had to be brought in to run the departments, and lawyers and investment bankers were thought to be the best at this. They were conversant with public affairs, used to sizing up new situations. Washington lawyers, Acheson wrote, "seemed peculiarly able to understand at once the uniqueness of unprecedented situations and immediately to set about devising new and practical ways of dealing with them... they have learned to remain detached from the emotional involvement of their clients in their purposes or troubles. They must see all around situations on which they are to advise."

For these reasons, the government got as its top officials people who would be staying only a limited time and then returning to private life, who would do an expert job, and who in office would become emotionally involved only in the most extreme situations. They were pros—honest, cool, intelligent, hard-working people who could fill almost any administrative job without any special training—and Washington came to value them highly. They were never zealots or ideologues; in fact, through the fifties and sixties zealots and ideologues were the people the pros most disdained—they were people like Joe McCarthy and J. Edgar Hoover. Even the liberals who had a zealous side, like Hubert Humphrey or Sargent Shriver, were seen only as valuable spokesmen, not people who should be given the really crucial jobs. Today it's common to see Michael Pertschuk, the chairman of the FTC, criticized for having a messiah complex because he obviously cares so much about his job and is so sure that he's the best person to do it that he'll stay on as long as he possibly can. To the pros, it seemed immodest to feel that one had to stay on a long

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time because only then would things be done right—and on the other hand there was every temptation (family, money, frustration with the bureaucracy) not to stay very long.

Also, in truth, a lack of zeal while in government was good for business later on. Here is Acheson again, on returning to Covington and Burling after a brief stint at the Treasury in the thirties: "My short venture from private practice into government service did not hurt; on the contrary, it improved my practice. I had become known, and known throughout the business community, as a 'sound' man. It was very different later on when I disappeared from this desirable practice for more than a decade of a man's most fruitful years, and returned to the bar known not as a lawyer but as a Cabinet officer upon whom politicians and sections of the press had been trying out novel forms of mayhem. A 'sound' man is a more desirable lawyer than a 'controversial' one." So even when in government there was a temptation to be sound, to be resisted only in circumstances like Acheson's, an extraordinary job in extraordinary times.

This was the world Warnke lived in through the Truman, Eisenhower, and Kennedy years. He did well at the firm and was made a partner in 1957. He married and had five children. He got involved in local civic affairs, especially in the area of civil rights. He met the other bright young men of his generation. In 1966, on the strength of his good reputation rather than any particular expertise, he was appointed general counsel of the Department of Defense; in 1967 he became assistant secretary of Defense for International Security Affairs, and stayed on until the end of the Johnson administration. At the Pentagon he worked most closely with Clark Clifford, the venerable Washington lawyer, fixer, and adviser to presidents, who was at that time turning against the Vietnam war and becoming its main opponent within the administration. Warnke turned with him, and that made him slightly different from the run of Washington lawyers interested in public affairs. When he went to the Pentagon, he says, "my principal qualification for the job was a subscription to *Foreign Affairs*"; in other words, he was a pro. When he left, he apparently took with him something pros rarely bring out of government, namely a passionate conviction about the matters he had worked on.

To be sure, Warnke returned to law practice when Nixon took office, though with Clifford and not Covington and Burling. But he behaved a little differently—only a little, but differently—from the other prominent lawyers interested in further government service, the Vances and Califanos. He wrote articles (for this magazine among others), gave speeches, and testified on Capitol Hill, flat-out opposing the B-1 bomber, the Trident submarine, the level of tactical nuclear warheads in Europe, and escalation of the arms race generally. He became chairman of the Democratic Policy Council's committee on arms control and defense policy, and in that position opposed the anti-ballistic missile and attacked Nixon's Vietnam policy. He almost certainly would have been George McGovern's Defense Secretary; he was co-chairman of McGovern's Policy Panel on National Security, and was the main spokesman for McGovern's plan to spend $30 billion less on defense than Nixon would in his second term. Warnke's friends say that took courage—in his world, people very rarely come out for specific cuts in the defense budget. When the Nixon enemies list was published, Warnke was on it.

What was especially attractive about Warnke was that he was a liberal who had more than just a vague sense that the defense budget was too high; he knew as much as the conservatives did about specific weapons systems, how much they would cost and what they would do. He had been in the Pentagon and knew what he was talking about, but hadn't been snookered by the experts in the services. He could talk

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about peace the way McGovern could, but he could also talk about MIRVing ICBMs, which McGovern could not do convincingly. He was a technician who also had beliefs and scope and a sense of humor. Very few people in his position would dare to say flatly, as he did in *Foreign Policy* in 1975, "I think we are spending too much on military arms and manpower, and that to continue to do so worsens our economic position and jeopardizes our true national security."

In 1976 Warnke was one of the people frequently mentioned as a possibility for Secretary of State or Defense in a Democratic administration. Unfortunately, what probably kept him from getting those jobs was precisely what was best about him, his evident passion for arms control. But on Warnke's part, those jobs were apparently the only ones he was passionately interested in, although the less-known job that he got put him in charge of exactly those matters he had spoken up about most eloquently. Late in 1976 Carter twice offered him the directorship of the Arms Control and Disarmament Agency and the position of chief SALT negotiator, and Warnke twice turned Carter down. Finally Carter called him into the Oval Office one Saturday and asked him a third time; as Warnke tells it, he relented on the condition that he would stay on the job only for a short time, just long enough to get the negotiations with the Russians over the hump.

Warnke quickly became Carter's most controversial appointment. A conservative group called Coalition for a Democratic Majority anonymously circulated a memorandum throughout the Senate that accused Warnke of being a confirmed appeaser of the Soviets. This prompted the hawkish Senate Armed Services Committee to call Warnke before it for questioning, even though it was the dovish Foreign Relations Committee that had official jurisdiction over his nomination. Here Warnke paid the price for his slight deviations from sound, discreet lawyerdom over the past eight years. He had to put up with Red-baiting questions (Senator Byrd: "Do you know Daniel Ellsberg?"), patronizing questions (Senator Helms: "Just as a matter of personal interest, sir, would you tell me, if you were a 'fluttery dove' by self-characterization in January 1976, how would you characterize yourself today?"), questions implying he was too soft for the job (Senator Scott: "And I just wonder, in view of the past positions you have taken regarding American weaponry, if you could not better serve your government as head of the Peace Corps, or something of that nature?"). He had to watch his former Pentagon colleague, Paul Nitze, breaking the *entente cordiale* that usually exists between even those government alumni who violently disagree and saying things like this:

Senator McIntyre: "Are you saying that you impugn his character as an American citizen?"

Mr. Nitze: "If you force me to, I do."

Warnke stayed cool and self-contained in the face of all this. He kept his temper. But even his friends say he came perilously close to the line of the truth in the effort to get past the committee. For a Warnke fan, it was a little disillusioning to hear him saying things like, "I cannot today support each and every recommendation that I have made in the past eight years, and I would not propose to do so." But perhaps this had to be done to get the job, and didn't indicate any true backing down. After all, even with all the toning down of his views, didn't he just barely win confirmation, by a vote of 58 to 40? And didn't he tell the committee, "I am interested in the job because I believe that arms control is a desirable objective. . . . I am an enthusiast for making the effort"?

Good Reasons and Bad

But he left after a year and a half. His reasons were persuasive ones, of course—he had made progress, the treaty was almost finished, there were

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the kids in school. What he didn't say, but his friends did, was that one of the name partners and mainstays of the Clifford firm, Thomas Finney, had died unexpectedly, and Clifford himself was said to be slowing down. Perhaps Warnke was getting tired and wanted to spend more time with his family, and he pledged that even out of office he would devote himself to speaking and testifying on behalf of SALT II. "If I had been 49," Warnke says, "it would have been different. If I were in my mid-forties, I'd have a good 25 years ahead of me. But I'm 59. After eight years in that job, I would have been 65, the law practice would be gone, and I'd be hundreds of thousands of dollars in debt. My feeling is, you go in, you give it the best shot you can, and you leave."

All very sensible. But SALT II is, at this writing, still not quite signed; and even when it is, there is SALT III, considered more important; and Warnke was not just a negotiator, he was head of the Arms Control and Disarmament Agency and thus the possessor of the best platform there is for pushing the goal of arms control. It's also difficult not to suspect that if Warnke had been in the Cabinet those good reasons for leaving would have been pushed aside. "He had developed a standard of living that was not opulent, but was comfortable, and he couldn't have put aside enough to tide him over," says a friend of Warnke's. "He was scared of going into debt at his age. But I think if he were Secretary of State, somehow he would have gotten a second mortgage." And of course if he were Secretary of State his potential for future earnings—through a book contract or a statesmanlike name partnership in any law firm he wanted—would be limitless, no matter how old he was when he left.

In fairness, the one reason of Warnke's that is genuinely difficult to dismiss is the one about paying for his children's education. It's callous to urge government officials to cut off the kids without a penny in order to keep on saving the world. But it strains credulity that only on an income like Warnke's—which is certainly well into the six figures—can one buy one's children a decent education. His government salary was more than what 99 per cent of Americans make; is it really impossible to lead a comfortable life on that? And it should be remembered that Warnke's year and a half in the top one per cent was preceded by eight years in the top tenth of a per cent, during which he might have salted away enough to cover exigencies like tuition.

More than that, a parent's duty to a child extends beyond the material gifts of food, shelter, and education to the more important gift of setting an example. To an extent that's difficult to overestimate, people's ideas about honesty and love and kindness and honor come from their parents. Warnke, by all accounts, has done an admirable job of teaching his children these things. But in leaving the government, he has also told them, in effect: hedge your bets. The jobs that are important enough to close off your options for, and the causes vital enough to warrant a second mortgage, are precious few, and the directorship of the Arms Control and Disarmament Agency is not one of them.

In the month Warnke left government, his agency published a brochure about SALT for public consumption. "In SALT," the brochure said, "the stakes are enormous. The fact that nuclear weapons have not been employed for 30 years should not cause us to ignore the awesome consequences of nuclear war. . . . SALT may well be the most important negotiation the United States has ever undertaken." Warnke says, with appealing modesty, that he certainly isn't the only person who could competently handle such an important matter; that's true, but he's probably better able to handle it than anyone else. The real message of his leaving was not so much one of modesty and family obligation as that being the point man in the prevention of nuclear war is not a job worth going into debt to keep. ■

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Tidbits and Outrages

Thanks for the Memories

In case you're beginning to forget the flavor of the Nixon years, here on a recently released tape is the former President explaining to John Erlichman a statement he had just made to the White House press corps about the firing of A. Ernest Fitzgerald: "I think I handled it in a way that is probably a good thing for us to do. You should probably have the most godawful gobbledygook answer prepared. Just put it out on executive privilege. Something that will allow us to do anything we want."

Benign Neglect

Environmental factors, including smoking as well as other pollutants are estimated to cause 80 to 90 per cent of cancers. Yet according to Christine Russell of *The Washington Star* only 20 per cent of the $937-million cancer research budget goes to study environmental causes.

Getting Both Sides of the Story

In its quest for balanced reporting, *The New York Times* has furnished our candidate for headline of the year: "Widow of Heydrich Says 'Holocaust' Ignores Facts."

We Knew Virginians Were Snobs, but...

Law of the Month Dept.: John Dalton, the governor of Virginia, has just signed a bill that says the corpse of a recently purchased pedigreed dog can be returned to the pet store in exchange for its purchase price. The law makes no provision for mutts.

First Amendment Raped Again

Readers of *The Washington Star* were recently informed of an anti-press ruling so repressive that—as sports columnist Morris Siegel put it—"Men like former President Richard Nixon and former Redskins' Coach George Allen would lead the cheering section on [its] behalf." It was a "distasteful... intolerable" proposal, which almost prompted members of the press to vote "a strong resolution to censor [sic] the proponents for their impudence." While the scheme "was not greeted with the outrage it deserves," Siegel noted, "it is so revolutionary it is extremely doubtful if it will even become law...."

What was the plot? The Atlantic Coast Conference was proposing to make journalists pay for their admission when they were covering the league's annual basketball tournament. Siegel put the issue in perspective: "It is not the price of admission I oppose. It is the principle of the matter."

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The Dark Side of Deregulation

by Robert M. Kaus

In the history books, 1976 may go down as the year the United States saw its first attempt to deregulate a prominent industry. The debate, it will be recorded, would set a pattern for the future. There were howls of protest from those who had been protected under the old regime, with dire predictions of chaos and disaster if control over basic industry decisions was offered up to a merciless market. At the same time, however, there were impatient businessmen, whose ambitions had been stifled under regulation, pushing insistently for reform. They were joined by a broad range of economists, who pointed to various distortions and inefficiencies produced by the attempts of the industry to avoid the forces of supply and demand. Finally, after years of debate, lawsuit, and political struggle, the nation took its initial symbolic step into the Deregulated Age: major league baseball held its first free-agent draft.

It may not be too early to begin assessing this bold experiment. Did the fears of the doubters and naysayers come true? After all, the spokesmen for the industry's management had argued vehemently that if our national pastime were deregulated, even a bit, the rich ballclubs in the major cities would quickly buy up the cream of the game's talent and come to dominate the league standings. Teams such as the New York Yankees, it was said, might load up their rosters with stars—players like Reggie Jackson, Catfish Hunter, and Luis Tiant—gaining a virtual lock on the pennant and leaving the smaller cities to make do with teams of second-stringers.

We are now in a position to conclude, however, that the timid souls of baseball's establishment were. . . er. . . well, it turns out they were absolutely right. The past two seasons have, in fact, seen the richest teams dominate the sport. The Yankees have won two consecutive World Series, and the fans in baseball's less lucrative markets can't be blamed if they're beginning to wonder whether they haven't been had. As more and more players sell themselves to the highest bidder, baseball is starting to show some of the signs of malaise—strained loyalties, jaded players—that plague its sister sport, professional basketball.

The past two years have also seen a second, more serious sort of deregulation, in the decision—first by the administration, and then by the Congress—to dismantle the Civil Aeronautics Board and let the market shape our passenger airline system. But the arguments were familiar enough, at least to any baseball fan. There were the "opponents and the fainthearted," as then-CAB chairman Alfred Kahn called them, who predicted that, as air service was thrown open to the market, the major air hubs—New York, Miami, Chicago, Los Angeles—would attract the lion's share of the planes,

Robert M. Kaus is an editor of The Washington Monthly.

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leaving small and medium-sized towns with inferior, or erratic, air service. And there were the calm reassurances of the economists that, if only the laws of the market were allowed to operate, each community would end up with the level of air service that met its legitimate needs.

The economists, of course, won the debate easily. In fact, it would be hard to find a major issue on which you could provoke less disagreement among the nation's lawmakers, politicians, and business leaders than air deregulation. If there is an emerging liberal-conservative consensus in this country, this is its touchstone—and, it must be admitted, for some good reasons. For years the restrictions imposed by the CAB—in theory as well as in practice—served mainly to protect the regulated airlines from competition. Deregulation had the potential to wake up those tired, fat carriers, bringing lower prices and better service to the public. And, what was good for the airlines, it would seem, is good for the trucking and banking industries as well. Deregulation is an idea with, as they say, momentum.

But there are disturbing signs that, in the rush to replace a visibly wrong-headed bureaucracy with an invisible hand, we may be ignoring some obvious truths that the faint-hearted naysayers are trying to tell us. Indeed, if the early experience of airline reform is any indication, we seem to be heading for a deregulated future where the distribution of essential services is about as equitable as the distribution of talent in the major leagues. Of course, as almost everyone with whom I spoke on this subject told me, it is too early to reach any firm conclusions about air deregulation—the CAB itself doesn't relinquish its final powers until 1985. But if the season isn't over, the early box scores are in—and the Yankees are already pulling away. America's major airlines seem to be doing their best to show us a dark side of deregulation that the economists—at the Brookings Institution as well as the American Enterprise Institute—would prefer to ignore.

A Rude Introduction

Eureka, California is a small fishing and lumber town on the California coast, about 250 miles north of San Francisco. Although 150,000 people live in the vicinity, it is an isolated area, accessible by boat, by a long, tiresome car ride up the coastal highway, or by air. The area's main railroad link with the outside world was severed last winter, when a devastating fire destroyed a tunnel dug through the mountains that parallel the coast.

For the past decade, the main air service in Eureka has been provided by Hughes Airwest. Airwest made four round trips a day from Eureka south to San Francisco, and two trips to the north. Both were important to Eureka businessmen and citizens—San Francisco as the closest big city and "hub" for connecting flights, the northern routes for access to the far-flung timber operations that support 85 per cent of the area's economy.

Eureka's rude introduction to air deregulation came in November of last year, only a few weeks after the deregulation act was signed into law, when Airwest announced it was raising its fares to San Francisco. But the fare increase was only the first shock: Airwest next announced that all flights to the north would be canceled, and flights to San Francisco would be cut back to three a day. The Eurekans fumed. At four flights a day, they argued, Airwest's planes had been filled to almost 70 per cent of capacity. Surely the company was making a profit. Airwest's response: the town was lucky it hadn't been cut down to two flights.

Since Airwest's planes had always been crowded, under the new restricted service they are positively jammed—over 80 per cent filled, on the average, according to one study. This "load factor," as it is called in the industry, is generally considered a reliable indica-

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tion of whether the scheduled service a town receives is adequate or deficient. A "load factor" of 80 per cent, as you might guess, indicates service is lousy—when a flight averages that high a figure, it means that, at peak periods, passengers are regularly left standing on the tarmac. In Eureka, things got so bad that local citizens organized a group called FAIR AIR to fight the Airwest cancellations.

Eureka's traumatic experience is the sort of anomaly that didn't crop up in the optimistic, rational scenarios that preceded deregulation. After all, how could the market fail to provide adequate service to a town where there was such strong, steady demand?

Ironically, it turns out that Eureka was the victim of the very sort of competitive atmosphere that deregulation was intended to create. It seems that, like many "local service" airlines, Hughes Airwest had started out serving small communities like Eureka, but now sees its future as a national carrier serving the profitable, longer-haul routes between major traffic hubs. Airwest's specialties, in this regard, are the lucrative runs from Phoenix, Arizona and Southern California's populous Orange County to Reno and Las Vegas.

Airwest used to have many of these bigger markets all to itself—but deregulation changed that. The Las Vegas to Reno market, for example, was an Airwest monopoly, but is now fought over by no less than five airlines, including TWA, Braniff, and Delta.

As any economist would predict, to maintain its share of the traffic in these big, disputed markets, Airwest has to try and offer more planes, more frequent service, and lower prices than its rivals. The result is a traveler's dream—if you're going to Reno. Unfortunately for Eureka, one of the planes that Airwest needs to throw into its competitive wars is the one that used to serve the North California coast. And, Eureka's disgruntled residents contend, the profits that Airwest loses by shaving the prices it charges on the Nevada routes are made up in towns like Eureka where Airwest still enjoys a relative monopoly.

In the first three months following the signing of the deregulation act, Airwest has filed notice of its intent to cancel its last non-stop or single-plane service between no less than 174 pairs of cities. And Airwest's aggressive actions are part of a pattern that other airlines are repeating across the nation. Both local and major carriers are shedding routes, not necessarily because those routes aren't profitable, but because there is more money to be made by shifting the planes into longer hauls between major airports.

The victims aren't all small towns like Eureka. When Congress passed airline deregulation, it protected the smallest settlements by guaranteeing them twice-a-day round trip service for ten years. Federal subsidies are provided to pay for this "essential air service" if it can't be supported by passenger fares. But the subsidy dollars—a meager $20 million according to early CAB staff estimates—aren't nearly enough to protect any but the tiniest airports. So mid-sized cities on the order of Lansing, Michigan, and Asheville, North Carolina have been left to twist in the competitive winds—at least unless their service falls all the way to near the two-a-day limit.

Not surprisingly, as the airlines play musical planes to maximize their market shares on the high-volume routes, many of these mid-sized airports are beginning to report substantial cutbacks in service. Chattanooga Tennessee, for example, lost 25 per cent of its scheduled daily departures in the past four months, as both United and Eastern canceled flights. Providence, Rhode Island lost two of its five major carriers. And, in the best publicized of the initial round of service cutbacks, four of West Virginia's seven largest airports were hit. United Airlines announced that it was canceling all service between the West Virginia capital of Charleston and Pittsburgh, Pennsylvania—the

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largest single destination of Charleston passengers, accounting for a quarter of that city's commercial air traffic. West Virginia's early experience led Senator Jennings Randolph—one of the few Senate foes of air deregulation—to argue that the end of controls "will destroy adequate air service to middle-sized and smaller communities in the United States." Said a disgruntled Randolph aide, when Congress passed deregulation it had simply "underestimated the airlines' greed."

Faith in Greed

But greed, we are told, is precisely what is supposed to make the deregulated system of air transportation work. Let the airlines fight to maximize their profits, the theory goes, and let the consumers ante up as much as they're willing. When the dust settles, each city and town will have precisely the level of service it deserves.

For many small and medium-sized communities, greed is supposed to make its beneficial presence felt through the good works of the "commuter" airlines. The commuters are the smallest segment of the airline industry, in both volume of business and the size of the planes they fly. These planes—usually no larger than 15-seaters—are small enough to have exempted the commuters from CAB regulation under the old regime. And where the big airlines exhibited the lethargy of a cozy, protected cartel, the commuters represented aggressive capitalism in its pure, untempered form.

In theory, the commuters, with their little Twin Otters and Piper Navajos, were to fill up every hole left by the major carriers, making up for the luxury and comfort of big jets with the frequent service that small planes can provide. Sometimes, this is exactly what happened. When Bloomington, Indiana, for example, lost its certificated carrier, a commuter came in and ridership actually increased in the next year from 9,700 to 17,100.

Back in Eureka, on the other hand, faith in the virtues of greed is beginning to wear thin. You might expect the commuters, upon hearing of the situation along the North California coast, to scramble all over each other trying to get into the Eureka market. With Hughes Airwest charging unpopular prices and still turning away passengers, the deregulatory script clearly calls for a feisty entrepreneur to come to the rescue, enriching himself by ferrying Eureka's grateful citizenry to and from San Francisco and Oregon and giving callous, arrogant Airwest a good competitive kick in the tail.

Earlier this year it looked as if Eureka's savior had arrived. Air California, a reputable small airline, announced it was thinking of flying into Eureka, offering an additional two round trips per day to San Francisco. After months of groping for a solution to their airline problems, Eurekans thought they had found it. They hadn't. In early April, Air California backed out. The reason, according to the airline: "The market is not large enough to sustain competing jet carriers." In other words, the Eureka market was profitable enough for Airwest to want to fight for, and Airwest was big enough to scare off smaller carriers who might try to challenge its quasi-monopoly. Eureka's white knight flew back off into the sunset, leaving the town to the ministrations of an airline it had come to regard as its adversary, and one remaining commuter carrier, who offered two slow daily runs via Piper Navajo for more than Airwest charged for its jets.

The Transition Game

If you confront a deregulator with horror stories like the experiences of Eureka, or Charleston, you will quickly be swept up in what might be called the "transition game" of deregulation. This is an exchange of arguments in which the deregulators—among whose number must be counted the majority of officials at the CAB,

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many of whom have undergone the bureaucratic equivalent of a deathbed conversion—attempt to trace all the shortcomings of the newborn market system back to "distortions" introduced under the earlier regulatory regime. The problems of Eureka, Charleston, and Chattanooga are only temporary, you are told, and if we only give the market time to work its magic, the transitional problems will iron themselves out.

In the airline industry, the most powerful, and plausible, transitional problem is a severe shortage of aircraft. Deregulation has been followed by a dramatic growth in overall passenger demand. And although those overall figures hide some big losses for many communities, there are nevertheless so many people who want to fly that everything with wings is being pressed into service to carry them. In this situation, you are told, normal, profit-maximizing behavior naturally leads the airlines to allocate their scarce supply of jets to the markets where demand is soaring, and away from traditional airports with strong but less explosive demand. It's not that the airlines don't *want* to serve Chattanooga, it's just that they only have so many planes. Service will begin to trickle back, in theory, once back-ordered aircraft come rolling off the assembly lines.

Or rather, we should say, off the drawing boards. It seems that many of the planes that are needed to economically serve airports like Charleston haven't even been designed yet. So the "long run," in which the "transitional" shortage disappears, begins—for smaller towns—to look very long indeed.

Even if the commuter airlines do, eventually, step in to supply the bare transportation requirements of most communities, there are other, less tangible needs that may go unfilled. In Meridian, Mississippi, where Delta Airlines announced it is canceling all flights, the vice president of the Chamber of Commerce, W. J. Johnson described the problem: "Number one, we're losing the prestige of a major trunk carrier. . . . We're getting away from something pretty fundamental, and that's the comfort and reliability of a Delta Airlines. It may be psychological, but it's real." The commuters do have a reputation of unreliability—or, as one Meridian businessman put it, "Half the time that little old plane don't fly." When they do fly, the commuter planes are often unpressurized, their rides are bumpy, and—well, there's always that factor they don't talk about in the airline ads. People, it seems, just do not think the little planes are as safe as the big jets, and the existing statistics on accidents per mile don't do a very good job of dispelling those fears.

It's easy for economists, shuttling back and forth between respected universities on pressurized jets, to dismiss these sorts of considerations as "uneconomic" or "irrational." In the desire of smaller cities to keep a prestige carrier, for example, it is tempting to discern only the wounded pride of the backwater Babbitt who has been told, not so subtly, that his burg isn't all he cracks it up to be. As for the safety factor—well, intimations of mortality don't fit very well into the cool cost-benefit factoring that is supposed to guide consumers and producers in the marketplace.

To the smaller town, however, the intangibles can spell the difference between a healthy economy and stagna-

Answers to last month's puzzle:

C[1]	L	O[2]	S	E[3]	D	O[4]	n	S[5]	U	n[6]	D	a[7]	y	S[8]
R	■	I	■	M	■	n	■	y	■	o	■	D	■	w
y[9]	E	L	L	O	w	S	■	n[10]	I	T	R	a	T	E
P	■	B	■	T	■	E	■	T	■	a	■	P	■	t
T[11]	O	U	R	I	S	T	■	H[12]	a	B	I	T	a	T
I	■	R	■	V	■	■	■	E	■	L	■	■	■	L
C[13]	O	n	c	e	a	L[14]	■	T[15]	U	E	S	D[16]	a	y
■	■	E	■	■	■	a	■	I	■	■	■	E	■	■
T[17]	O	R	R	e[18]	n	T	■	C[19]	R	I[20]	T	T	E	R[21]
■	■	■	■	L	■	E	■	■	■	n	■	E	■	E
E[22]	R	O[23]	S	I	O	n	■	R[24]	E	S	E	n	T	S
■	■	a	■	T	■	'	■	a	■	T	■	T	■	U
I[25]	n	T	H	I	n	G	■	T[26]	R	I	V	I	a	L
■	■	H	■	S	■	H	■	I	■	L	■	O	■	T
G[27]	a	S	S	T	a	T	I	O	n	L	I	n	E	B

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tion. It's not without reason that Chambers of Commerce across the country give their cities those silly, catchy slogans, build attention-getting monuments, or seek to attract name airlines. If the businessmen they were trying to lure to town were all hard-headed analysts who eschewed publicity, or perks, the better to spend their days poring over figures in spartan offices, then it might not matter whether Meridian, Mississippi was served by a Twin Cessna or a 747. In the real world of expense account America, however, Delta's big jet, with its familiar martini and smiling hostess, might just be the deciding factor in whether a New York executive makes a trip to Meridian or not.

It is thoughts like these that lead directly to doubts as to whether towns like Charleston, Eureka, and Meridian are treated fairly by a system that allocates air routes strictly according to profitability. That's because the businessmen lured to Meridian by Delta's sinfully uneconomic and reliable jet service do all sorts of things that benefit the community as a whole: they buy local products, make investments. build factories. But those benefits to Meridian aren't ones that the businessmen themselves can be expected to consider when they are figuring out how much plane fare they are willing to pay to go to Mississippi. So they will never show up on Delta Airlines' profit and loss statement.

On the contrary, these benefits are what economists like to call "externalities"—side effects that are not taken into account in the everyday transactions between, say, airline and air passenger. If all the airlines care about is how to maximize their income from those passengers, Meridian will enjoy less of these beneficial side effects than it deserves, simply because nobody has bothered to grease the palm of the invisible hand in the name of Meridian itself. The planes will fly away to serve the crowded airports of the big cities, even though the damage caused to Meridian by canceling two of its seven daily jet flights might far outweigh the positive impact of adding two more flights to New York's total of 1,052 daily departures.

There are also negative side effects to a system in which airlines hop from town to town in constant search of a better angle. As the airlines come and go from a small town, the uncertainty of service may discourage businessmen from investing or settling there. "These communities detest instability of service," one CAB official told me, adding, "although as an economist that may make no sense." Acceptance of instability as a real economic cost might be more widespread if more economists lived in places with names like Parkersburg, Muncie, and Silver City.

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Avoiding Re-regulation

As more and more towns experience cutbacks and confusion in their air service, the cry will go up to return to the old system of regulation, where the government set routes, seats, and even the size of sandwiches. It is a temptation we should resist—at best, the scheme of government-monitored air monopolies subsidized local service in an inefficient manner, by charging extra fares to travelers along high-

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volume routes. At worst, it protected airline profits while affording communities lackadaisical service, at inconvenient times. Under the old regime, we should remember, the airlines still tried to escape their obligations to serve small, low-profit communities—and they succeeded in cutting off 157 of them in the period between 1962 and 1976.

But the similarity between the airlines' behavior under both regulation and deregulation may give us a clue to a possible alternative to both systems. For, although deregulation is seen by its supporters as a showcase of the advantages of the free-enterprise system, it is revealing a fundamental defect that plagues American capitalism in both its regulated and *laissez faire* forms. It's a flaw that often shows itself only at the margins of economic action—canceling the fourth flight out of Eureka, for example—but its effects flow from the core motivation we allow to dominate our economic system: the profit-maximization motive.

Why, after all, did Hughes Airwest feel obliged to cancel its Eureka flights? It wasn't that Airwest needed to make a profit—from all indications Airwest was making money on its Eureka service. It was, rather, that the need to make money was, for Airwest, unbounded, and all decisions were made with reference to that single "bottom line." So, the relative impact of a flight cancellation on various communities in Northern California, Nevada, or Arizona was never considered. If Eureka was profitable, Vegas was more profitable. Tough luck, Eureka. Much of the callousness and selfishness that generations of radicals have perceived at the heart of capitalism may be seen as the product, not of the need of companies for profit, but of the pursuit of that goal to the exclusion of all others.

But it's not impossible to imagine a different sort of enterprise, in which the need for profits was mixed with bonds of obligation and loyalty to the community it served. Such an enterprise would have to make money, to be sure, simply in order to survive. But beyond that point, it would be free to take into account some of the side effects—the "externalities," if you will—that the profit-maximizers ignore. It wouldn't be able to serve Eureka with five 747's a day—the market wouldn't let it. But at the same time it might not leave Eureka's citizens stranded at the terminal the moment an opportunity came to make a few more dollars flying gamblers to Nevada.

An alternative to "re-regulation," then, would be for the government to find ways to give economic life to the people, and enterprises, who are willing and able to perform the jobs the maximizers won't—like serving small towns—without waiting for orders from Washington. We can imagine dozens of organizational forms that might harbor such attitudes—lone entrepreneurships, community-owned airlines, even small, conventional corporate bureaucracies—but we needn't be dogmatic about picking out one. The government should encourage them all. As Chairman Mao would say, "Let a hundred flowers bloom."

This sort of economic ideal—which promotes profit-making, but not profit-maximizing, behavior—is repugnant to most economists. They are quite unwilling to tolerate any conflict of interest in the hearts of their entrepreneurs. The economists' preferred solution is to set each enterprise off in the single-minded pursuit of profit, and then to appeal to the generosity of the taxpayers on the question of whether, through "direct subsidies" or "transfer payments," they should clean up the resulting mess and compensate the losers. It is, writ large, not too far from the attitude of the Washington attorney who works hard all day defending the tobacco companies and then wonders if he should donate part of his ample salary to the American Cancer Society.

Indeed, the lawyers—including the "public interest" faction—have aggra-

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vated the situation in another way: for decades, they have sought to control the behavior of large companies, like the airlines, by extending what the textbooks euphemistically call "shareholder democracy." Even were that ideal practical, it would be the opposite of a solution—there is hardly a group *less* likely to abandon the blind pursuit of maximum profits, or less likely to share significant interests with the communities an enterprise serves, than the hundreds of diffuse shareholders of a large corporation. On the contrary, an airline is much more likely to be sensitive to the needs of the towns it serves if it has no stockholders at all—if it is financed entirely through bonds, or loans from banks. Then, as long as it repays those loans, the company is free to sacrifice a couple of percentage points of profit in the name of other values. If Eureka's air service were owned and operated by a few businessmen with roots in the area, it would probably be a lot less likely to pack up and leave than a large, multi-shareholder airline, like Airwest, which is subject to a takeover attempt any time its earnings slip below the potential maximum.

We have to abandon some of the old approaches, like shareholder democracy, and invent a hundred new ones, if we are going to avoid a repeat of the cycle of chaos and cartelization that has shaped our economic life for almost a century. It is not necessarily "faint-hearted" to be dissatisfied with an airline system that provides low fares for some travelers, but leaves many towns and whole regions wondering where one of their most basic services is going to come from. Facing up to the flaws of deregulation need not mean going back to regulations that have as their implicit aim the protection of industry profits. It might mean going forward, to create an economy that taps not only the power of the profit-motive, but also other, no less important or productive human impulses—loyalty, obligation, and a willingness to serve. ■

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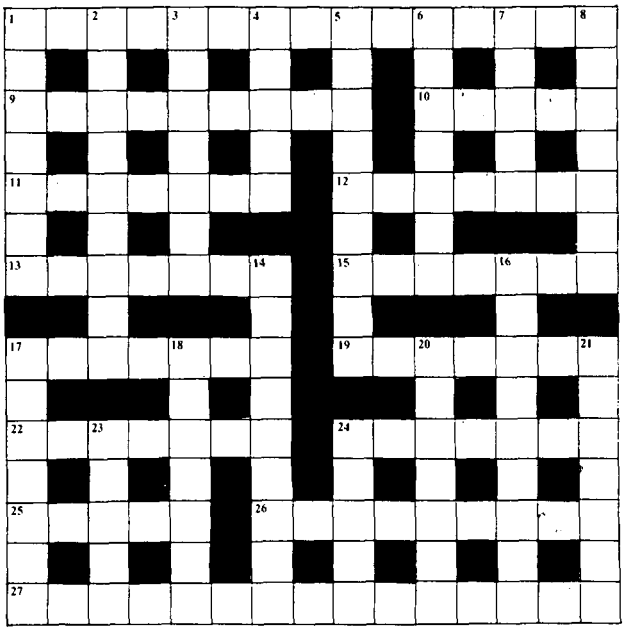
the political puzzle

by John Barclay



ACROSS

1. Hermit denies all about bad news site. (5,4,6)
9. Wandering alien's tic is fixed. (9)
10. I'm back in the past, friend! (5)
11. Ape-lion constructed from gem stone. (7)
12. Garland certain to produce ease? (7)
13. Trip in explosive surroundings for Neptune's staff. (7)
15. Place in Washington to sell pie mix. (7)
17. Some set oddly happens. (5,2)
19. Get sick, eat and kill wildly. (4,3)
22. Us Popes kind of pretend. (7)
24. Cleans up evergreens? (7)
25. Little man comes in to make scab nervous. (5)
26. Palm around international organization here in France is city-like. (9)
27. Curt line Candace placed around happening at 1 Across. (7,8)

DOWN

1. Prune turns into hut. (4,3)
2. Think over ermine axe hash. (9)
3. Member of French trio in regal items. (7)
4. Fiber from manufactured tiles. (5)
5. Outstanding former unit net arrangement. (9)
6. Dog sorted in lapse. (7)
7. Good-bye, expire in gold. (5)
8. Method to conceal church district i.e., codes. (7)
14. Eisenhower or Nixon (in part), not Hoover or FDR. (3-6)
16. Snarled lip in ruler displays tenet. (9)
17. Hold up varied USA tins. (7)
18. Cures go awkwardly into menace. (7)
20. Another city in tradition of Ankara, Chicago and Osaka. (9)
21. Final batch arranged to stall. (4,3)
23. Button for 27 Across? (5)
24. Kind of boom coins displayed. (5)

The numbers indicate the number of letters and words, e.g., (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word. Answers to last month's puzzle on page 37.

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Photos by Lillian O'Connell

Amtrak: The Wreck We Have to Fix

by Deborah Baldwin

A few months ago, my husband and I decided to take advantage of Amtrak's new low fares for roundtrip excursions and go by train from Washington to Providence, R.I. and back. Both of us enjoy train trips and we came prepared with the usual array of books that had piled up on the bedside table.

Deborah Baldwin is an editor of Environmental Action.

The train was clean and comfortable. We also ate well. At about four in the afternoon, we abandoned our nineteenth-century novels and settled down to what both of us agreed was one of the pleasantest meals we'd had in a long time. It began with glasses of Fetzer premium red wine—a fine bargain at $2.99 a bottle. As we savored the wine, generous servings of imported cheese appeared before us, sandwiched in French bread. For dessert we indulged ourselves with

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perfectly ripe Bosc pears and apples handpicked in the West Virginia countryside. By then, we'd passed through what little territory might pass for scenic, so we let the train gently rock us to sleep for the last leg of the journey.

If you haven't ridden Amtrak recently, having deserted it for airplanes, cars, or buses, reconsider. Amtrak has undergone vast improvements in the past few years, at no insignificant cost to the taxpayer. Despite several false starts, the Amtrak system is making strides. The bathrooms are clean, a lot of the equipment is new, and there's usually room for everyone on board.

But if, like us, you care a lot about the meals you're served while traveling on vacation, do what we did: bring your own.

Like countless rail passengers, we've learned the hard way that opting for Amtrak fare is a bit like playing Russian roulette. Sometimes the food on Amtrak is acceptable—on long distance trains now, for example, you can choose between a line of tony TV dinners and simple meals of soup, cheese and bread. But other times the food is, in the words of one FDA inspector, "rotten"—sloppily assembled, or just plain tasteless.

Nowhere is the problem more obvious than on the Northeast Corridor trains, where the high volume of traffic should make it easier for Amtrak to serve up cheap, predictably good food. The food on these trains is anything but predictable. If you're lucky, you'll get a hot melted-cheese-and-ham sandwich that's perfectly acceptable. If not, you'll get a gray, tasteless hamburger that has traveled in its plastic casing for up to five days before being "rethermalized" in one of Amtrak's new microwave ovens.

Now that Amtrak is the latest item on the government's chopping block, it may seem petty to complain about the sandwiches. But Amtrak's food woes are symbolic of what is wrong with Amtrak. Amtrak can't seem to settle on what its food, like so many of its other services, is supposed to be. It's certainly not the prime rib and homemade rolls of yesteryear; but it's not great fast food either—as any Roy Rogers addict will quickly notice.

When Amtrak set out in its noble attempt to compete with the automo-

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bile, it was confronted with the task of deciding just what it is that America wants to eat. It could embellish its food service, turning it into something special—a bribe of sorts—or go back to the basics, perfecting the kind of fare Americans have grown accustomed to: fast food.

Over the years, rather than making this decision, Amtrak changed its food policies with each change in management at the On Board Services (OBS) division. Meanwhile, it was losing lots of money on food. In 1977, Amtrak's food service took in $21 million while paying out $64 million. A large part of the deficit, Amtrak's food officials say, can be blamed on salaries that run as high as three times the average restaurant worker's. No one pretended that the meals could be delivered at cost, but on the other hand no one openly debated how much the food service should be subsidized. Should Amtrak provide travelers with $7 prime rib and absorb the cost of the waiter, or circumvent dining car attendants altogether and buy everyone a boxed lunch? No one, it seemed, could decide.

So Amtrak's food service simply muddled through. Often, however, the food was more than tasteless—it was downright dangerous.

Between July 1976 and March 1978, FDA inspectors quietly filed endless reports about Amtrak's desultory attention to basic sanitation. They found cockroaches stalking the storerooms, vermin thriving in the food storage and preparation areas, contaminated food, and aging refrigerators that broke down so often that perishables were regularly exposed to unsafe temperatures. One of Amtrak's commissaries—the one that to this day distributes food to trains passing through Washington—was so filthy the FDA temporarily shut it down about a year ago.

According to the trade paper, *Food Chemical News*, it wasn't until after the FDA had filed more than 100 letters of warning that Amtrak agreed even to recognize its problems. That was last July, and by September, appalled at Amtrak's footdragging, the FDA decided to step up its attack. The agency is reportedly now considering legal action as a last resort.

Why is Amtrak having such a hard time keeping its kitchens clean? Officials point to aging equipment that often breaks down and, because of budget problems, can be replaced only at a snail's pace. But another part of the problem can be traced back to the convoluted structure of Amtrak's corporate management (see box, page 45).

No one person at Amtrak is accountable for meeting basic sanitation requirements, because responsibility is spread through a network of offices not only at headquarters in Washington but in four regional offices. Historically, regional directors have had to fight jurisdictional battles with their counterparts in Washington, and it's hard to find out where, exactly, the buck stops.

If a refrigerator breaks down, raising temperatures to unsafe levels, it's up to one Amtrak division to identify the problem and another to fix it. Amtrak's mechanics have their own set of priorities, and they may be too worried about the engines or the air conditioning, say, to concentrate on the dining cars.

Indeed, responsibility is spread throughout the system for:

- identifying what the public wants to eat
- designing the menus
- accepting bids from food vendors
- verifying quality and quantities
- storing, thawing, distributing, and preparing meals
- supervising on-board personnel
- staying within budget

Marketing may decide the public wants to eat one thing, and On Board Services may decide just the opposite. (The two divisions are still feuding about a decision made last January to fire a New York hoagie-maker.) And responsibility for the budget floats around Amtrak like a lost child. I

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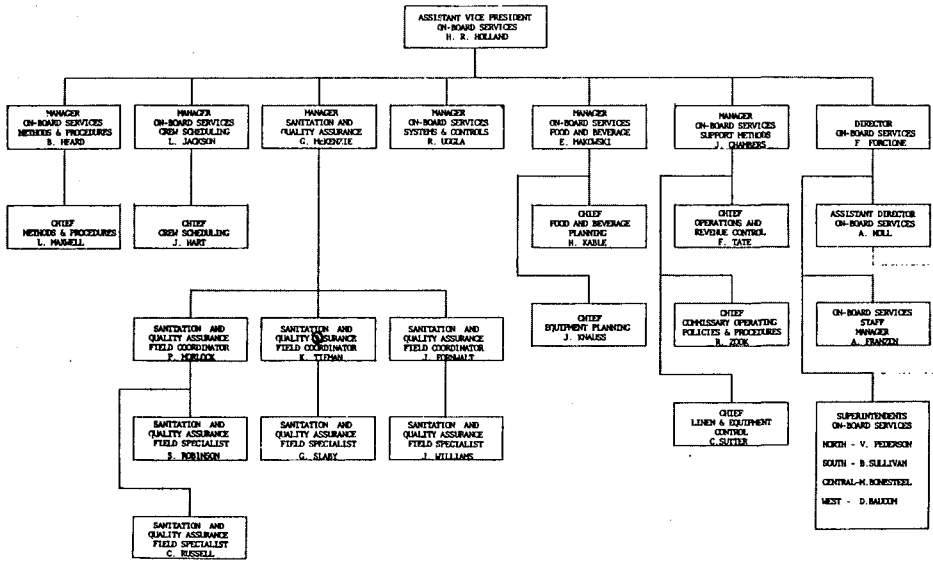
asked Rex Holland, Amtrak's newest OBS chief, who decides to what extent the food service should be subsidized, and he conceded that there is no equivalent of a comptroller at Amtrak. "We all work here as a team," he said.

In terms of accountability within each division, there are plenty of chiefs who share the job of administering to the troops. Holland recognized this problem back when he was a consultant to Amtrak, and last October he unveiled a much ballyhooed reorganization plan that he believes will go a long way toward cleaning up the managerial hierarchy. Nevertheless, his assistant director, Austin Noll, had a hard time answering the simplest questions. When asked why heavily traveled trains always seem to run out of such standard items as sandwiches and chips, he couldn't really say. "We can't afford to overstock the kitchens," said a public relations official in attendance. "We'd have to throw away the leftovers at the end of the line." Well, certainly all divisions of Amtrak are under extraordinary pressure these days not to waste money, but that doesn't explain why sandwiches have to be thrown out when they were specifically designed to last five days, or why the kitchens can't stock up en route, or why there should ever be a shortage of items with a long shelf life, like candy and peanuts. "I guess it's a 'man problem,' " Noll said finally, evidently overwhelmed at the prospect of actually tracing the shortages down from Amtrak's heavily populated management to the trains themselves.

Confusion Runs Rampant

The same kind of confusion runs rampant throughout Amtrak, afflicting overall policies and day-to-day operations. Two conductors I spoke with on a Northeast Corridor train told me they longed for the days when they reported to the Penn Central. "The conductor was captain of his train then," one of them said. "If he made a mistake, he had to answer for it." Today Amtrak's conductors along this corridor report to Conrail. If the train is late no one supervisor is in charge; instead, a committee of Conrail and Amtrak operators assembles in the nearest regional headquarters to argue



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about how to get the trains back on time. Outside the Northeast Corridor, the private railroads do all the hiring and firing of train crews. The private railroads never wanted to run a passenger service in the first place—that's why Amtrak was created—but rather than nationalize the system, Congress left the operations in the hands of private industry, with Amtrak paying the railroad companies for their service. Only the ticket takers and the food employees work directly for Amtrak.

The law requires the private railroads to give passenger trains top priority, pulling freight trains aside to let Amtrak through if necessary. By all accounts, the railroads frequently do just the opposite.

Amtrak, meanwhile, can't seem to crack the whip. An incentives program, designed to reward the private railroads for improving their service became the subject of much ridicule when congressional investigators discovered that Amtrak was making incentive payments for lousy service. According to a 1977 GAO report, the only reason on-time performance increased under the incentives program was that Amtrak agreed to redefine on-time ("up to one-half hour late"). During one year Amtrak paid the railroads almost $33 million in incentive rewards for the same terrible service it had gotten the year before.

It's not just the private operators who are causing lateness problems. Amtrak trains fail to meet their schedules on the Northeast Corridor, where they are operated by the government-created Conrail. Conrail and Amtrak tend to work at odds, and Conrail gets its freight customers to the station on time more often than it does Amtrak's passengers.

Given all the confusion at the top, it comes as no surprise that morale among Amtrak employees is low. There's a huge gap between the people who work on the trains and those who operate them out of Amtrak's Washington headquarters. Management is top heavy (there's a one-to-ten ratio of supervisors to workers), and it's hard to tell if Amtrak's leadership even cares about the long-term survival of the system. When Transportation Secretary Brock Adams recently proposed eliminating 43 per cent of Amtrak's routes, the response from Amtrak was a quiescent silence. (Adams reportedly came close to convincing a majority of Amtrak's board of directors to go along with his plan.)

The bulk of the men and women who work on the trains are primarily worried now about saving their own skins. And they are in a unique position to do so. Railroad union work rules are specifically designed to protect workers from cutbacks. And rules governing daily operations are as antiquated as the equipment Amtrak inherited. They're also expensive. A conductor on an Amtrak train called the Cardinal earns a full day's pay for the six-hour train trip between Huntington, West Virginia, and Clifton Forge, West Virginia. One engineer takes the Cardinal roughly half way to Hinton, West Virginia, and receives a full day's pay for the three and a half hours it takes. Another engineer boards the train at Hinton and gets a full day's pay for the remaining two-and-a-half-hour trip to Clifton Forge. The *engine* crew for the train between Detroit and Chicago consists of from four to six employees. As the GAO has pointed out, a bus for the same trip would require but one driver. It is not surprising, then, that the largest portion of Amtrak's payment to railroads—26.6 per cent of the total—is for crews.

The unions that represent the work crews obviously don't want to renegotiate these rules. And the private railroads can pass on the cost of labor when they bill Amtrak for service.

With all the studies of Amtrak that have been done over the years, relatively little has been said or done about the labor situation. "It's too politically explosive," one congressional aide told me. More to the point, railroad workers are Amtrak's largest single source of political support, and those

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who want rail subsidies are afraid of alienating them.

Just Around The Corner

Generally, everybody with a fervent interest in keeping rail passenger service alive—the unions, Amtrak officials, rail buffs—has gotten in the habit of hiding from the public the truth about Amtrak. They never talk about the featherbedding and inefficiency, and they always claim that profitability is just around the corner, because they figure such distortions are the only way to keep the railroad going. As a result, Amtrak's enemies have a steady supply of ammunition, and nothing is being done to convince the unconverted that railroads can be a cheap, pleasant, reliable way to travel.

In fact, Amtrak can—and should—go a long way toward cleaning up its act, but nationwide passenger rail service is never going to be profitable. We ought to face that and keep it going anyway. The government now subsidizes all major forms of transportation in one way or another, and rail travel is subsidized less than the other kinds, although its potential benefits are greater.

Government expenditures on other forms of transportation are treated like state secrets. By interviewing federal highway administrators and spending some time with an adding machine, I computed that between 1956 and 1976, we've spent a phenomenal $338 billion in federal, state, and local funds for road construction. (About $90 billion was covered by the highway trust fund; the rest came from general revenues.) Not included in these figures are the funds used to maintain roads, or the cost of extras like parking lots, traffic police, and ambulances. Amtrak's annual subsidy is $600 million, which is some $16.4 billion less than the average annual expenditure on highways. I don't mean taxpayers should subsidize $5 steak dinners and linen tablecloths—that's the secret dream of the rail buffs, and if they want that kind of service they should pay for it. What should be subsidized is train service for people who would otherwise drive—service that would be inexpensive, on time, with decent fast food.

Given the energy situation, you might expect Brock Adams to be touring the country and talking with the public about the real costs—hidden and direct—of funding not only Amtrak but the airlines and the highways. Instead, Adams, who claims he can't abide outright federal subsidies for any form of mass transit, no matter what its social need, says the way to cure our transportation woes is to reinvent the car. If that's our national transportation policy, then we need a new one.

People rode the trains regularly when they knew they could count on them, when trains left at convenient times, on schedule, and traveled where people wanted to go. Amtrak can save some money temporarily by reducing the number of routes and the choice in departure times, but that means far fewer people are going to bother with it in the long run. You can't get used to something that isn't there. Adams is playing into the hands of those who believe the only way to reform government is to take its funds away. Not surprisingly, the National Taxpayers Union has made Amtrak one of its chief moving targets. It's a lot easier to attack Amtrak than all the hidden subsidies for the automobile.

Even if Congress does go along and slices 43 per cent out of the system, the savings in operating deficits would be pretty thin—roughly ten per cent over operating deficits in 1978.

The only positive thing about Adams' approach is that he at least has managed to devise a straightforward formula for comparing the cost of the various routes. Amtrak and its supporters have never been willing to do that.

But Adams and his supporters haven't faced the larger issue: Does our transportation policy, such as it is, have a place for a national passenger rail system? Where should that system get its funding? And should our

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decisions on these questions turn on current profit-and-loss figures when the greatest potential benefit of Amtrak—its tremendous energy efficiency—may not show up on the bottom line for years? The Transportation Department's position on Amtrak is directly at odds with the White House's stated concern for energy conservation. Rather than look at Amtrak in any kind of long-range, national context, Adams has responded narrowly to an order from the Office of Management and Budget to shave a relatively insignificant sum of money (about $300 million) off the $17-billion annual transportation budget.

Amtrak and its vocal constituency are furious with Adams' recommendations, which now go back to Congress for further debate. Instead of bellyaching, however, they ought to take Brock Adams' cue and go through the painful process of analyzing the costs and benefits of providing the kind of rail service they believe America needs. Widespread realization of the costs of the trains might even be used to boost ridership—if, for example, the communities that complain so loudly when rail service is discontinued were told precisely how much patronage they must give Amtrak in order to justify continued service, they might ante up. If the local chambers of commerce want to preserve their routes, let them organize campaigns to provide specified levels of business for the railroads, rather than simply trying to influence Congress when Amtrak cuts are proposed. The state legislatures that are piously petitioning Congress to balance the federal budget could help out by chipping in to help pay Amtrak's cost in their states.

Up until now Amtrak and its supporters haven't been able to look beyond the system's immediate requirements. Lobbyists and public relations consultants are dragged in to blindly defend Amtrak against its critics. The budget swells each year, but no one has told the taxpayers exactly where the money goes. The system's failure to provide for something as simple as a decent meal is proof that there just isn't anybody in charge here. ■

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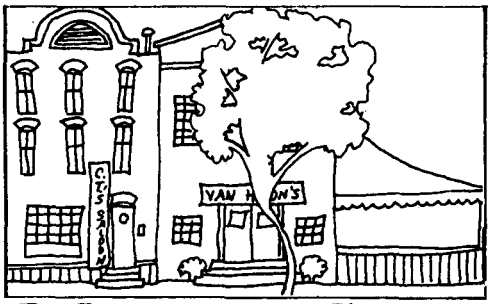
Roxie Munro



Where to Stay in Washington

Embassy Row

Seventy-five years ago tree-lined Massachusetts Ave., between Dupont and Sheridan Circles was the Gold Coast of Washington. Most of the stately mansions remain, only the residents (except for Alice Longworth Roosevelt, next door to the Embassy Row Hotel) have departed. Among today's occupants, and within a few blocks of all three hotels, are over two dozen embassies, non-profit associations, and the Phillips Gallery, perhaps the best small art collection in the country. The hotels are in walking distance to some of the better shops and restaurants in Washington as well as the Metro, which will put you in Foggy Bottom, or on Capitol Hill in just a few minutes.

The Dupont Plaza, Dupont Circle, N.W., 202-483-6000, is, in its own words, "designed to accommodate the traveling executive." An honest description. Unpretentious and comfortable, the 320 newly furbished rooms and suites all have wet bars, and there's room service from 7 a.m. to 11 p.m. With special group rates and eight meeting rooms, the hotel encourages meetings and small conferences. Singles, $47-$65; doubles, $62-$80; suites, $140 and up. The restaurant, **Stephanie's**, specializes in Viennese-style cuisine—a moderately expensive menu with lots of veal, paprika, and tortes, and decor and music to match.

The Embassy Row, 2015 Massachusetts Ave., N.W., 202-265-1600, 800-323-7500. The confusion of abstract art, chandeliers, and greenhouse roof with hanging plants, plus a generous helping of traditional decor that greets you in the public areas is strong inspiration to escape to your room, which is a little closer to the atmosphere you might hope for after a hard day's work or sightseeing—comfortable, fairly roomy, some with kitchens. Singles, $65; doubles, $75; suites $95-$175 and up. There are three meeting rooms, but no group rates. The hotel's clientele is heavily international—you can't pass through the lobby without hearing at least one foreign language. And you get the feeling a lot of deals are made here—the Atrium Lounge and Ambassador Club serve drinks only and occupy at least as much, if not more, space than the only restaurant, **Le Consulat**. This may also be a reflection on the restaurant, however, which is very overpriced for not very distinguished continental food. There is one star in the hotel, though: John Eaton, a jazz pianist, who has received considerable praise in the local media, plays in the Atrium nightly except Sunday.

The Fairfax, 2100 Massachusetts Ave., N.W., 202-293-2100, 800-424-8008. Tasteful, quietly elegant. . . and any other similar adjectives you can think of describe this 50-year old apartment hotel that has been renovated with great care to maintain the traditional architecture and character of the past. There are handsome orientals and antiques in the hallways, the guest rooms are spacious, with colonial-style furniture and antiqued brass bath fixtures made expressly for the hotel. Singles, $65-$90; doubles, $77-$102; suites, $130-$250. Friday-Saturday night special: $48 per night single; $60 double. With only two small meeting rooms, attracting groups is not the hotel's main interest, although special rates are available. The restaurant, **The Jockey Club**, has faded since its well-deserved hey-day during the Kennedy administration. Chefs have come and gone, and today it's more expensive than ever (even at breakfast—continental for $3.50?) and inconsistent. But the ambiance—wood-paneled and leathery, the way a jockey club should be—is enough to justify taking a chance if you're on an expense account.

—Carol Trueblood

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The Missing Link: Why We Can't Stand Up to OPEC

by Fred Mann

"Everything that happened in California was important elsewhere, if for no other reason than as examples not to be emulated."

—Curt Gentry in his book, *The Last Days of the Late, Great State of California*

When the plan was first raised, it seemed so simple and made perfect sense. The eastern half of the country needed what the far western end had. In making the delivery, there was something for everyone.

By building a short stretch of pipeline from the West Coast to Texas, Standard Oil of Ohio (Sohio) could sell more Alaskan oil and save millions of dollars in shipping costs.

California, where the pipeline was to start and a tanker terminal was to be built, could gain tax revenues, jobs and even cleaner air, since, in a precedent-setting agreement, the oil company promised to clean up even more air pollution than the project would create.

More importantly, the United States could have its oil where it needed it most—in the energy-hungry east and midwest. The embarrassing glut of fuel clogging west coast refineries and storage tanks could be relieved. Alaskan oil production could be hiked by 33 per cent. The nation's troubling dependence on foreign energy sources could be reduced.

"In short," said an executive at Sohio, "it was a plan that made so much sense for everyone that someone was bound to screw it up."

They did.

On March 13, after five years of bickering with California authorities, spending $50 million, obtaining 700 permits and still not having in sight final clearance to begin construction, Sohio announced cancellation of its pipeline plans. "California's intransigence" finally became too much, said the company. California countered that final permits would have been approved in a matter of weeks. Whoever was right, the deal was off. Congress and the California legislature may try to save the pipeline through last-minute dispensations, but the project's future looks bleak. Sohio neither wants nor needs a pipeline anymore.

For the oil company, it no longer makes sense economically. Alaskan oil production may be slacking off before a line could be built, and rising pipeline construction costs are making Sohio's current marketing route through the Panama Canal look better every day.

So Sohio will not suffer without the project. And California, which has plenty of oil, can always find another industrial client to tap in its pollution abatement campaign.

Fred Mann is editor of California News Bureau.

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The only real losers are the American people—perhaps because during the long pipeline battle, the only interest not represented was the national interest.

Blaming the Other Guy

Since the collapse of the project, Sohio and California have circled each other like a pair of angry 12 year olds, pointing accusing fingers and swearing their innocence. Each has come forward with detailed chronologies of affronts and delays committed by the other guy, all of which led to Sohio taking its marbles and going home just when California said it was finally ready to play.

From the oil company's point of view, blame for the cancellation of the Pacific-to-Texas pipeline (called "Pactex") could not fall more clearly: bureaucratic red tape, environmental intransigence, California parochialism, and the changing economic facts of life caused by the state's delay. Combined, these factors caused Sohio five years of grief and presented a future so clouded with more delays and possible lawsuits that the project no longer seemed worth the effort.

To California officials, reasons for the cancellation are equally clear. The line would have been finished long ago had it not been for intentional foot dragging by Sohio, they say. The company never really wanted to build the project within reasonable environmental guidelines, and, through a skillful public relations campaign, it tried to make California look like a troublemaker.

"Sohio's motives and behavior have always been very suspicious," said a suspicious Doug Faigin, chief lieutenant of California's high-powered clean air forces. "It has been extremely frustrating dealing with a company that claims to want to help in the national interest, but really is only out for itself."

But five years ago, it looked like Sohio's self-interest and the national interest would go hand in hand. The company produces 51 per cent of the oil coming off the North Slope, and needed a pipeline to protect its Alaskan investment. Without a refinery of its own on the west coast, and with federal law barring any foreign oil swap (thus outlawing trade of Alaskan crude to Japan in return for sending Japan's OPEC oil to the eastern U.S.), Sohio was forced to transport 350,000 barrels a day through the Panama Canal.

The canal operation involves transferring oil from huge ocean tankers to smaller ships for passage through the waterway, and then back to larger tankers and on to Gulf Coast refineries. It is an expensive process. With a west-to-east pipeline from California, Sohio figured to save as much as $1 per barrel in transportation costs.

In November 1975 Sohio publicly announced that it planned to lease 675 miles of an existing, unused pipeline originally designed to carry natural gas from Texas to California, and to modify it to carry oil across country in the other direction. All that needed to be done, the company said, was to construct a two-berth tanker port on the west coast, extend a harbor dock, and hook up 250 miles of connecting pipeline.

Sohio chose Long Beach, just south of Los Angeles, as a base of operations. Long Beach was already a busy oil tanker port, and problems there, Sohio believed, would be minimal.

Unfortunately for Sohio, however, California in the fall of '75 was in the midst of a clean air war, with the powerful state authority, the Air Resources Board (ARB), battling with local air pollution control districts for authority and jurisdiction. At the same time, the state was drawing up pioneering anti-pollution legislation—new rules that required polluting industries beginning operations in California to clean up more pollution in the region than they created.

The particular requirements of this new pollution "trade-off" policy were not yet clear when Sohio announced its intentions and the company was

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unsure what it had to do to win approval for its plans, and from whom approval had to be won.

The company submitted applications for construction permits to the federal Environmental Protection Agency, the state ARB, and the regional regulators, the South Coast Air Quality Management District. What followed, for the next two-and-a-half years, was either "a remarkable display of greed, blackmail, and arrogrance by California" or the insincere machinations of what California Governor Jerry Brown was to call an "outlaw corporation" determined to "ride roughshod" over the environment of California.

Sohio was first told by the powerful 34-year old chairman of the ARB, Tom Quinn, that its application to the state was inadequate. Because Sohio's was the first major project to face the new trade-off rules, no standard interpretation of them existed. So Quinn decided as he went along what should be counted against the company's pollution debt.

Quinn, who in addition to heading the state air board is one of Brown's top political operatives, played high stakes poker with the project. Knowing that both Sohio and Uncle Sam needed to win the Pactex game, Quinn held a winning hand and bet the limit every round, demanding ever-increasing pollution trade-offs.

At first, Sohio was going to be held responsible only for the emissions from oil storage tanks it planned to build. Then Quinn reasonably decided to include the pollution belching from the smokestacks of Sohio tankers as they sat tied up at port unloading their cargo.

After that, the state board tacked on tanker emissions that spewed forth within a three-mile state jurisdiction out to sea. Later, the radius was upped to 12 miles. Then, farther still.

The state then looked for secondary sources of pollution it could charge against Sohio. Noting that electricity would be needed to move the oil through the pipeline and that it would be generated by burning oil, generator emissions were added to the trade-off total.

Companies that followed Sohio into California's regulatory pit might howl, but, within six months, the oil company had accepted the state's demands. Sohio promised to clean the air of all of that pollution, plus more. For some pollutants, the trade-off was a high as two-to-one.

Sohio suggested that it meet its end of the bargain by cleaning up the emissions of a local manufacturing company and by purchasing low-sulfur oil for the electric generator. The local air board liked the idea, but the state board did not. Instead, Quinn proposed the installation of a giant stack scrubber at a Southern California Edison power plant nearby—a first-of-its-kind device that would cleanse sulfur dioxide from the air and would cost Sohio $78 million to install and maintain.

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Under California's permitting system, the local air board, which favored the first approach, had to give the initial okay to the project. But the state board, which liked the scrubber, had to approve as well. In addition, permits were needed from the California Coastal Commission, the Public Utilities Commission, various Long Beach boards, Los Angeles County authorities, and other minor agencies.

"We decided to please Tom Quinn and the state," said a Sohio spokesman. "We went with the scrubber even though the local board was complaining that small scrubber systems being used in Japan were unreliable, and they warned that we might not get local approval."

Last August Sohio and Edison signed a contract for the scrubber system. In addition, Sohio agreed to restrict the hydrocarbon emissions of 13 dry cleaning plants in southern California. In all, the total trade-off costs to Sohio were estimated at $83 million.

California hailed the air trade-off package as a landmark. At the time of the signing, Governor Brown said it showed that "business people, if hit over the head occasionally, will contribute to the well-being of us all." But there were other obstacles in Pactex's path:

- First, inter-agency squabbling in the state delayed preparation of detailed environmental impact reports. State air officials argued with their local counterparts over the interpretation of regulations (Did Sohio have to provide enough off-setting controls to lower pollution levels every day, or just on the average?).
- The Coastal Commission held up its permit over fears that an earthquake might rupture oil storage tanks and cause a catastrophic spill.
- Although the local air quality board gave provisional approval to Pactex within two months, state and federal clean air laws required public hearings, which stretched on for ten months.
- At the suggestion of the Air Resources Board, a lengthy study of alternate sites for the tanker terminal was conducted. Eventually, the Long Beach location was confirmed.
- As the permitting process dragged on, legal problems emerged for Sohio. Opponents of the project, including the League of Women Voters and local citizens groups, raised questions over environmental controls and the preparation of the environmental impact reports. And in 1977, on the last day available for appeal of the impact report, a young Long Beach house painter and a coalition of supporters went to court against Pactex, disputing the report's findings. Their suit is still pending in the California courts. Future suits could tie up Pactex for at least another two years.
- The same environmentalist and anti-development coalition also gathered signatures and forced a voter referendum on Pactex last November. Sohio easily won the election, but only after outspending its critics 28 to 1.

While the regulatory battle in California raged, Sohio managed to win federal approval in routine hearings before the EPA. At the Texas end of the pipeline, Sohio was granted construction permits so quickly that they have had to be renewed already.

California, of course, had good reason for being extra careful about its environment. The southern California area already has the dirtiest, most hazardous air in the country. A 1975 EPA study released last year ranked metropolitan areas in terms of the number of days during the year that "unhealthful, very unhealthful, or hazardous" air pollution levels were recorded. Los Angeles-Long Beach led the list with 318. Its closest competitor, Denver, registered only 177. In a region that, because of smog, forbids children to run or exercise strenuously on public school playgrounds as often as one third of all summer days, an adequate pollution trade-off was crucial.

And, for its part, Sohio may not have had the strongest motives for moving the project along quickly.

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California officials argue that the company may have hoped to provoke an environmental stalemate that would force cancellation of the pipeline and convince Congress to grant the company the far more profitable right to sell Alaskan oil to Japan. Later, once Alaskan oil reserves appeared to be less bountiful than originally thought, Sohio may have lost any intention of building the pipeline. Local board officials point out that 14 months of its licensing procedure were "consumed by Sohio asking for continuances and delays." And, due to the company's failure to pursue possible trade-off targets, Quinn himself investigated the Edison plant and suggested it for Sohio's use in April 1977. Yet it was not until January of 1978 that Sohio even contacted the power company to discuss the possibility of installing the controversial sulphur dioxide scrubber.

All the while, the economics of the whole project were changing. With every month of delay, the costs of the pipeline rose, from an estimated $600 million five years ago to $1 billion today. And Sohio had hoped to spread these construction expenses over many years of Alaskan production. By now, however, much of oil Sohio had intended to pump through the pipeline has already been sold—either by way of Panama or to West Coast refiners. For Sohio, as one company vice-president put it, Pactex became "a project whose time has come and gone."

Moral Equivalent of a Mugging

But if neither the oil company nor California had an undivided interest in seeing that the pipeline was completed, there was one party that did: the United States. Whether or not the pipeline was what Sohio needed, it was demonstrably what the nation needed. If shipment through the Panama Canal no longer puts Sohio at a tremendous disadvantage, it does put America there, since it makes part of our energy supply dependent on safe passage through a foreign waterway in a country not known for its political stability. If the Long Beach port became less important to Sohio as the company's Prudhoe Bay reserves were depleted, it remained valuable for serving other sources of yet untapped oil in Alaska, and elsewhere in the Pacific Basin. Finally, a pipeline, were it now in place, would allow Alaskan production to be increased from 1.2-billion barrels a day to at least 1.6 billion, decreasing our dependence on the whims of OPEC.

So the real issue raised by the pipeline debacle is not whether Sohio, the state of California, or the local officials are to blame for holding up the project, but why the federal government didn't step in to make sure that the contending parties—each of which had an apparent reason to drag its feet—reached a settlement and built the pipeline. Although the President, his Secretary of Energy, and assorted members of Congress all frequently referred to the Pactex pipeline as "vital," and "in the national interest," no federal official or agency ever stepped in to mediate the dispute and ensure the pipeline's completion. Treating the Sohio-California quarrel as if it were the moral equivalent of a mugging, Washington turned out the lights and watched from the window.

It wasn't that the federal government lacked the power to do anything. By declaring an overriding national need, Congress has the clear authority to preempt state laws and regulations, such as the environmental rules in California that held up the approval of Pactex. It can also act to limit the time in which lawsuits against a vital project can be filed in order to prevent costly construction delays.

In passing the federal legislation needed to assure construction of the $9-billion Alaskan Oil Pipeline in 1973, Congress did both. But to get the Alaskan oil to market, it has done neither.

Of course, Sohio and California didn't ask the Feds to intervene. Both

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saw the Pactex case as involving not just the pipeline itself, but their respective powers as institutions. Sohio had decided not to ask for help, according to company vice president Frank Mosier, in part because "in most cases federal intervention is a bad idea, a bad precedent." California pollution official Faigin agreed: "Preempting state laws is a terrible idea." Similar reasoning carried the day in Congress —who is going to vote to overturn California's laws when such a precedent means his own state's statutes may be next in line?

Operating on the apparent theory that there could be nothing wrong with the negotiations if neither adversary was crying for help, the Department of Energy all too willingly deferred to the procedural etiquette of federalism. The Carter administration officially opposed any federal preemption of state or local authority, believing that subtle pressure and guidance would better expedite the project. "You don't go around and wave a red flag at states' rights if you don't have to," explained a DOE spokesman.

At the other end of the spectrum of possible federal actions, the clout of the oil companies was such that no one even mentioned tightening the screws on Sohio to force a speedier acceptance of California's regulations. Among the congressmen who expressed outrage when California threatened the project in order to protect its own interests, few saw anything troublesome in Sohio's decision that it simply couldn't be bothered with the procedural hassles involved in moving the nation's oil.

Deputy Energy Secretary John O'Leary, then the federal energy administrator, did urge Congress in 1977 to establish mechanisms to speed federal action on the selection and approval of different west-to-east pipeline routes. Other DOE officials followed the negotiations, sometimes offering suggestions to break deadlocks, and applauding when agreements were reached. But most energy officials felt strong federal prods were unnecessary.

"It [Pactex] will be approved shortly," one confident administration spokesman was quoted as saying 19 months ago. "After all, how long could it take?"

The Final Blow

The loss of Pactex would appear to be the final blow to the goal of secure movement of American oil from the part of the country that has the most to the part that needs the most. No fewer than five different pipeline proposals have been considered by energy officials since the discovery of North Slope oil. Like Pactex, each was scuttled by opponents who saw no point in living with the environmental dangers of a major tanker terminal and pipeline in their backyard when none of the oil being carried was to go to them.

Ever sensitive to the dangers of federal intervention to speed the Pactex project, Congress did manage to play a significant role in one of the other pipeline proposals—killing it outright. The Trans-Mountain Pipeline Project, considered by some to be the most logical plan for Alaskan crude, would have expanded an existing oil tanker terminal at Cherry Point, Washington, on Puget Sound. Through an already existing pipeline, the oil would have traveled to Edmonton, Canada, and then down to the American midwest.

But the plan was quashed when Washington's Senator Warren Magnuson quietly amended the Marine Mammal Protection Act, prohibiting dock expansion at Cherry Point. The amendment was routinely accepted by a Senate-House conference committee, whose report then sailed through both houses without significant debate. Senate Energy Committee Chairman Henry Jackson, who recently said, "I think it's outrageous that the large surplus of Alaskan oil cannot be easily moved east from California," made no

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attempt to stop his Washington colleague's action.

Even the dying gasps from Pactex do not seem to be enough to wake up the administration. Meeting shortly after Sohio's cancellation announcement, California's Quinn told Energy Secretary James Schlesinger that he doubted Sohio's sincerity in wanting to pursue the project. He suggested that, if Pactex was truly in the national interest, the federal government should provide loan guarantees to another company willing to build it, or pay for the pipeline itself.

"The only certain way the project would be built is for the federal government to assume responsibility," Quinn said.

Schlesinger dismissed the idea with a quick political jibe. "This project is in the national interest," he told Quinn. "We thank California for suggesting the federal government build the project, but it is not clear if we should build it before or after the Constitutional convention to balance the budget."

The Other Things We Didn't Do

After 1973 there were two basic ways for us to counter the threat of an oil embargo, or price-gouging by OPEC.

One, the route chosen, has been to seek energy independence, brought about mostly through the incentive of higher prices for producers. This has not only been a key factor in producing inflation, but it is encouraging us to use up our own reserves instead of conserving them and using the reserves of countries that can produce more cheaply than we.

The second route, which would not have been inflationary, would have required us to take measures that would enable us to live off our own resources for the time needed to break an OPEC embargo or force a reduction of OPEC prices—that time would not be long, because our total withdrawal from the international oil market would have a devastating effect on prices. So, while the long-term pursuit of energy independence—the course this country has adopted—is idiotic, it would have been prudent for us to have developed a capacity for short-term independence in order to exert reasonable control over OPEC's behavior.

In particular, three steps should have been taken to help give us that short term independence: 1) build a west-to-east pipeline so that Alaskan oil could be delivered where it was needed; 2) build and stock a usable reserve of oil sufficient to tide us over in any emergency; and 3) develop the standby capability to ration gasoline so that we could supply our needs with our own oil, if necessary.

The accompanying article by Fred Mann explains why the pipeline hasn't been built. As for the other two steps, Congress passed laws mandating both of them, but in both cases the Department of Energy has shown itself thoroughly inept in carrying them out. Here's a quick look at the current status of each:

Gas Rationing—During the oil embargo, the government did draw up a rationing plan, but never used it. Not that it could have been used even if the Nixon-Ford administration had wanted to. The 4.8 billion coupons that were printed up—at a cost of $12 million—were worthless. Not only could they activate bill-changing machines, but they didn't have serial numbers and thus were impossible to keep track of.

Since then, the situation has improved—but not much. In 1975, Congress ordered the energy

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It was the sort of response we have come to expect from the man who has presided over this country's near-complete failure to take the obvious steps called for by our growing dependence on foreign sources of energy in this decade (see sidebar). Whether Pactex is finally built or not, the troubling truth of the matter remains: the federal government has cheered the project on, but has spent five years sitting back, puffing on its pipe, and watching it die of suffocation. An alert referee would have broken up the California-Sohio brawl months—no, years ago. Negotiating a just peace between the parties—a peace that would have allowed each to pursue its legitimate, but ultimately partial, goals—could have been accomplished had the consequences of the delay been recognized and the effort been made. If our political system is such that we are unable to do even the simple things necessary to meet what is indisputably our greatest present national concern, then we really are in trouble. ■

department to devise a gas-rationing plan, but it was four years later, on March 1, 1979, when the Carter administration finally came up with its scheme. Hearings will be held over the next few months, and Congress has 60 working days to approve the plan. But even then, that doesn't mean we will be ready to ration gas. It turns out that the Bureau of Printing and Engraving will need between one to two years to get the coupons ready once the plan is approved.

Why all the delay? Part of it was politics—the Ford administration's rationing plan was shelved after Carter won the election and decided he wanted to start all over again. But a lot of the problem seems to be that the energy department apparently can't do much of anything with any reasonable dispatch. There have been studies, interagency reviews, and petty bureaucratic squabbles (DOE apparently snubbed its nose at the Postmaster General's suggestion that the Post Office help with the distribution of coupons)—everything, in other words, except the "contingency rationing system" Congress had called for.

Strategic Petroleum Reserve—It is hard to think of a program that has been more mismanaged than the strategic petroleum reserve program. When it was first devised in 1975, the idea was to have the government buy oil and put it in storage in caverns in the southeast. The plan called for a billion-barrel oil reserve by 1985, and the cost was estimated at $25 billion. But by the end of this month, according to DOE, the department will have only stored 125,000 barrels—barely a drop in the bucket considering America consumes about 19 million barrels of oil a day.

It gets worse. The $25 billion price tag has gone up and is now estimated at $30 billion. The oil that has been stored in the caverns is stuck there, for now at least, because no equipment has yet been installed to pump the oil out of the caverns and into refineries. And even if they could get it out, the government wouldn't know what to do with it; the energy department still hasn't put together a plan for distribution and use of the oil.

General Joseph DeLuca, the program's third chief since 1975, acknowledges that there are massive problems with the program, saying, for example, that the pumps should have been installed before oil was put in storage. But, he added, "We didn't plan on an oil shortage before 1980." He also admits that the program has been so poorly run he has considered turning it over to private industry. According to DeLuca, "There isn't anyone in the Department of Energy who knows that business."

—*The Editors*

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Richard Reeves on Political Books

There was a sign-up list for the book at the Savile Book Shop in Georgetown—you could be the first in your neighborhood telling stories from *The Powers That Be*. About how much stock Ben Bradlee really has in *The Washington Post* and how he found out that the editor of *Newsweek* was making $25,000 more than he was. About how Buff Chandler used to peek through keyholes and crawl around the floor listening through cracks to help make her boy Otis publisher of *The Los Angeles Times*. About what Woodward said to Bernstein when Kay Graham. . . there are a thousand stories in the naked media.

David Halberstam is a wonderful storyteller, with Gay Talese he is the best and the brightest at unraveling the workings and power of great institutions by weaving together the stories of the personalities who run them and would like to run them. In this huge book, published this month by Alfred A. Knopf (first printing: 150,000 copies), the institutions are *The Washington Post, Time* magazine, CBS, and *The Los Angeles Times*. It is the ultimate press junkie book with one glaring flaw: Halberstam leaves out the institution he knows most about, the one Talese wrote about in *The Kingdom and The Power, The New York Times*. The most powerful journalistic organ, the mighty Wurlitzer of the business, is always heard just off stage. Too bad.

Richard Reeves is the author of Convention. *His column is a regular feature of* The Washington Monthly.

It's a wonderful book, though. The necessary book, for years I'm sure, for people who want to understand—and gossip about—the press. But it depressed me. There is a "they were giants, we shall never see their like again" quality about the narrative.

Halberstam has written a parabolic book—the rise of the press under Franklin Delano Roosevelt, the spectacular peaking with Richard Nixon and Watergate, then the beginnings of a decline. . .and then he stops, but you sense he believes the days of heroic journalism are numbered.

"It all began under Franklin Roosevelt," he writes, ". . . he welcomed the chance to change things, to expand the powers of the government, and he knew immediately how to create his own new mandate. . . quite consciously elevating the importance of the press. If he wanted direct access to their readers, then they had to have direct access to him. . . he put more energy into his press relations than into his congressional ones. There was a changing institutional balance. . . as he used the media more often and more directly, they became more influential; they became more and more the architects of the national agenda, making more decisions on what the great issues were rather than just responding to the decisions of others."

Thus began the rise of the Meyer and Graham families in Washington, Henry Luce at *Time*, William Paley at CBS, and the Chandlers out in Los Angeles. They became more than just rich people, they became an influence,

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good and bad but always willful, on how we lived and thought and how we were governed. But, after 700 pages of repeatable stories about their affairs, public and private, Halberstam turns and strips them down again to greedy people, ultimately powerless people—weakened by age and a changing country of inheritance taxes, stock tables, and interchangeable managers.

There is a marvelous juxtaposition of grumbling Harry Luce being interrupted at the 1964 Republican National Convention to be told that Time, Inc. stock had gone up several points that day and the publisher answering: "Why would I want to know that now? Why are you telling me that?"... and Katharine Graham humbly telling a 1975 meeting of security analysts that her real goal in life was 15-percent profit.

Then there is a sad 26-page epilogue, a post-Watergate perspective on the four institutions.

The Washington Post:

"But reporters were aware that in recent years Kay Graham had committed herself more and more to profit, to winning Wall Street's approval... she had told them she would prefer to win a Pulitzer Prize for management."

Time, Inc.:

"In 1973, Time entered into a dramatic merger with Temple Industries, a huge timber company in east Texas.... [I]n 1978 after the acquisition of Inland Container, Wall Street began listing Time, Inc. not as a communications company but as a forest-products and resources company."

CBS:

"There was one last meeting with the chairman. Bill Paley was at his most persuasive and he kept talking about the future and the need for someone like Bill Moyers in the company. Finally he asked what it would take to keep Moyers at CBS.

"'A regular prime-time show,' said Moyers, who had learned very fast. 'Much like Murrow had. On a regular schedule and a set hour.'

"The man who answered was the real Bill Paley, a man shorn of his speeches and his public relations division. 'I'm sorry Bill,' the chairman said. 'I can't do it any more. The minute is worth too much now.'"

The Los Angeles Times:

"Guthman [Edwin Guthman, the national editor], somewhat resentful over what was happening to him and the way it had been done, and not anxious to stay around for eight powerless years of paper shuffling, quit... it caused a good deal of uneasiness among the paper's better reporters. Most of them saw Guthman not only as the ablest and most aggressive editor on the staff but a kind of conscience as well. On his last day there, Guthman went to say goodbye to Otis Chandler, but it was a very formal, very stiff meeting... it was as if, despite the 13 years together, they had nothing in common after all. The paper continued to grow richer and richer."

In the end, after all the anecdotes, Halberstam is asking whether that is how the world ends—not with a bang but a stock quotation. Thinking about that question makes it worthwhile to take a walk over to Savile and sign up. ■

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political book notes

Public affairs books to be published in May

Anyone's Daughter. Shana Alexander. Viking, $14.95.

Back to Patriarchy! Daniel Amneus. Arlington, $9.95.

The Brink: Cuban Missile Crisis, 1962. David Detzer. Crowell, $10.95. A valuable addition to the literature of Camelot. Detzer's thorough account of the Cuban missile crisis, when read along with Peter Wyden's *Bay of Pigs*, to be published next month, will give us the full story of Kennedy's greatest success and his worst failure.

China Scapegoat. Gary May. New Republic Books, $15.95. This, the well-told and depressing story of what the Red-baiters and bureaucrats did to John Carter Vincent, is another reminder of how disgracefully this country behaved toward those who told the truth about China in the forties.

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The Coming Real Estate Boom. Gray Emerson Cardiff, John Wesley English. Arlington, $10.

Confessions of a Conservative. Garry Wills. Doubleday, $10.

Confessions of a Medical Heretic. Robert S. Mendelsohn, M.D. Contemporary, $9.95.

Confessions of a Muckraker: The Inside Story of Life in Washington During the Truman, Eisenhower, Kennedy and Johnson Years. Jack Anderson, James Boyd. Random House, $12.95. An excerpt from this book appeared in the April issue of *The Washington Monthly*.

A Continent Astray: Europe, 1970-1978. Walter Laquer. Oxford, $15.

Courthouse. Paul Hoffman. Hawthorne, $12.50.

The Deregulation of the Banking and Securities Industries. Lawrence G. Goldberg, Lawrence J. White. Lexington, $21.95.

Earl Warren: The Judge Who Changed America. Jack Harrison Pollack. Prentice-Hall, $14.95. Pollack has an admirer's eye for the insipid detail (the placement of Justice Warren's law books) and the humdrum quote ("Sure, Warren hates Nixon's guts!"). He manages to convey some sense of the California governor and Chief Justice as a man, but almost none of the peculiar combination of courage, invention, and hubris that characterized the Warren court's decisions. Still, in evaluating their impact, he inadvertently gives a grand tour of the grabbag of prejudices and cultural impulses that are the ossified legacy of that period of liberal legal ferment—chastising Warren for his remaining "conventional Middle-American attitudes," blandly asserting that "today the press has become an endangered species," and computing the relative merit of the Burger and Warren courts by comparing the percentage of cases won before each by the ACLU.

—*Robert M. Kaus*

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The Education of Carey McWilliams. Carey McWilliams. Simon & Schuster, $11.95.

Europe Between the Superpowers: The Enduring Balance. A.W. DePorte. Yale, $18.50.

FDR and the Press. Graham J. White. University of Chicago, $13.95.

The Fifties. Peter Lewis. Lippincott, $10.

From *Brown* to *Bakke*: The Supreme Court and School Integration, 1954-1978. J. Harvie Wilkinson III. Oxford, $16.95.

From Genesis to Genocide: The Meaning of Human Nature and the Power of Behavior Control. Stephan L. Chorover. MIT, $15.

Fourth Amendment Rights. J. David Hirschel. Lexington, $15.95.

Grand Scam. Peter Stein, Richard Lipez. Dial, $7.95. A funny, fictitious explanation of what went wrong with the plan for a pipeline to transport Alaskan oil from California to Texas. (See page 50 of this issue for an account of what really happened.) The jacket blurb—"not since *Topkapi* has there been a heist story like this"—is deserved.

The Grease Machine: The Inside Story of Lockheed's Dollar Diplomacy. David Boulton. Harper & Row, $12.50.

The Japanese Challenge. Herman Kahn, Thomas Pepper. Crowell, $10.

Japan As No. 1: Lessons for America. Ezra F. Vogel. Harvard, $12.50.

Last of His Kind: An Informal Portrait of Harry S. Truman. Charles Robbins. Morrow, $14.95.

Malignant Neglect: The Environmental-Causes-of-Cancer Factbook. Robert H. Boyle and the Environmental Defense Fund. Knopf, $10.

Men of Ideas. Bryan Magee. Viking, $12.95.

Nuclear Fuel and Energy Policy. S. Basheer Ahmed. Lexington, $17.

Organized Crime: The Fifth Estate. August Bequai. Lexington, $15.95.

Pat. Douglas Schoen. Harper & Row, $10.95. A readable, well-researched biography of Daniel Patrick Moynihan that fails to meet the challenge of analyzing a fascinating man, who, in 20 years, went from tending bar at one end of 42nd Street to serving as Ambassador at the other end.

People-Processing: The Street-Level Bureaucrat in Public Service Bureaucracies. Jeffrey Manditch Prottas. Lexington, $17.50.

Poison Penmanship: The Gentle Art of Muckraking. Jessica Mitford. Knopf, $10.

Politics Backstage: Inside the California Legislature. Michael J. BeVier. Temple, $15.

The Powers That Be. David Halberstam. Knopf, $15. (See Richard Reeves' column.)

The Reform of FBI Intelligence Activities. John T. Elliff. Princeton, $14.50. This is a book you can tell by its cover—or at least the title. *The Reform of the FBI Intelligence Activities* spends very little time going over the abuses of the FBI, matters that have received considerable treatment elsewhere, and ventures instead into the less exotic realm of examining ways to prevent future abuses.

The first half of the book reviews the ponderous progress made by the Justice Department and the White House in controlling FBI intelligence and domestic security operations. According to Elliff improvements have been made—though he believes in-house reforms are ultimately inadequate. His deference to those who authored those cautious reforms and his occasional gushing over the bureau's "unquestioned reputation for integrity and respect for law in its own operation," however, tend to blunt his criticism.

In the second half of the book Elliff homes in on the major problems that remain unanswered in the debate over a charter for the FBI—controls on informants, mail openings, covert operations. While Elliff does not propose a particular charter, he does endorse specific controls, and he clearly sides with those who believe legislative rather than executive controls on the FBI are necessary. Elliff hits on most of the major controversies in the charter debate, proposing middle-ground solutions that will fail to satisfy either civil libertarians or law enforcers. But the work will provide a useful starting point for anyone interested in going beyond expose to reform of the FBI.

—Alan Berlow

Rosie: The Investigation of a Wrongful Death. Ellen Frankfort with Frances

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Kissling. Dial, $8.95. Rosaura (Rosie) Jimenez—a young, unmarried Chicana of McAllen, Texas, on welfare and the mother of a four-year-old daughter—was the first confirmed fatality from an illegal abortion following the cut-off of Medicaid funds. NOW and the National Abortion Federation declared her a martyr, a sacrifice to the government's callousness toward the poor.

Frankfort, unsatisfied with the initial findings that Rosie must have obtained her abortion in Mexico and angered by a McAllen doctor's claim on network television that most Hispanics choose, out of shame, illegal abortions for the sake of privacy, set out on her own investigation, which culminated in the entrapment of a McAllen midwife, Maria Pineda, the real culprit.

One must take one's martyrs as one finds them. No one said they need be saints. Rosie Jimenez was what the tabloids label "fun-loving," her father called her a whore. She had had two previous abortions under Medicaid, and while her married boyfriend was imprisoned for a parole violation, she became pregnant by another man. Rosie had aspirations for a better life, which is why, her friends say, she would at all costs avoid using any of the $700 scholarship check in her purse for an abortion. She paid, at all costs, Maria Pineda $100.

In the polemics of the anti-abortionists, the fetus is the martyr; to the pro-abortionists who wrote this book it is the mother. If few can agree on moral responsibility without a price tag, we are left with "Life is unfair."

—*Patricia Nosher*

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R. Emmett Tyrrell, Jr., editor of *The American Spectator,* takes an amusing and penetrating view of American leaders, from Gore Vidal to Jimmy Carter, in *Public Nuisances.*

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Scientists in Power. Spencer R. Weart. Harvard, $17.50.

Search for Consensus: The Story of the Democratic Party. Ralph M. Goldman. Temple, $17.50. Political aficionados and American history buffs often share the same skin, so a history of the nation's most durable extra-governmental political vehicle, the Democratic Party, might find a natural audience. Starting with the anti-federalists of Jefferson's day, Ralph Goldman traces the Democrats from their baptism in the 1830s at the altar of Andrew Jackson, to the revivification of the party under FDR a century later, to the uncertainty and confusion of the 1970s. Particularly in his descriptions of the party's early years, Goldman shows a confident grasp of his material and a popular historian's skill in synthesizing the work of more adventurous thinkers.

Unfortunately, though, Goldman has set out to do more than write a simple history—he spends much of his time cheerleading his own dull recipes for the party's future. And when he is not waving pom-poms, he tends to start mumbling poli-sci jargon.

If you skip the latter third of this book, which discusses the party's present and future, and if you can wince your way through the introductory notes (one worries for Professor Goldman's marriage after he dedicates the book to his wife and their "search for consensus"), there is a core of useful, basic party history. That part deserves reading by more than just Goldman's university students.

—*Geoffrey O'Gara*

See No Evil: The Backstage Battle Over Sex and Violence on TV. Geoffrey Cowan. Simon & Schuster, $10.95.

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Senator. Elizabeth Drew. Simon & Schuster, $8.95.

The Social Gamble: Determining Acceptable Levels of Air Quality. Richard J. Tobin. Lexington, $17.

Travels With Henry. Richard Valeriani. Houghton Mifflin, $12.95. An amusing, anecdotal account of Kissinger's trips while he was Secretary of State. At first it appears that the author, NBC's man at the State Department, is being engagingly frank about his subject's faults, but then you realize that only the superficial, and not the truly serious flaws, are mentioned, let alone examined.

Usable Knowledge: Social Science and Social Problem Solving. Charles E. Lindblom, David K. Cohen. Yale, $10/$3.95. This is a book *by* social scientists *for* social scientists, which explains why "practitioners of Professional Social Inquiry" always are referred to as "pPSI" and why relatively simple thoughts such as "By social problem solving, we mean efforts to make things better" come out like this: "By social problem solving, we mean processes that are thought to eventuate in outcomes that by some standard are an improvement on the previously existing situation, or are presumed to so eventuate, or are conceived of as offering some possibility to so eventuate." Nevertheless, citizens and taxpayers might well listen in; they, after all, are the ones who annually contribute the $1.8 billion that the federal government pays "pPSI" to do what they do.

Whatever it is social scientists do, even the government that funds it doesn't seem very interested in it. The General Accounting Office recently found that only four per cent of high federal officials think social research has a "substantial effect"; 54 per cent think it is less than *moderately* effective. A National Academy of Sciences study called "Knowledge and Policy" bears the diplomatic subtitle, "The Uncertain

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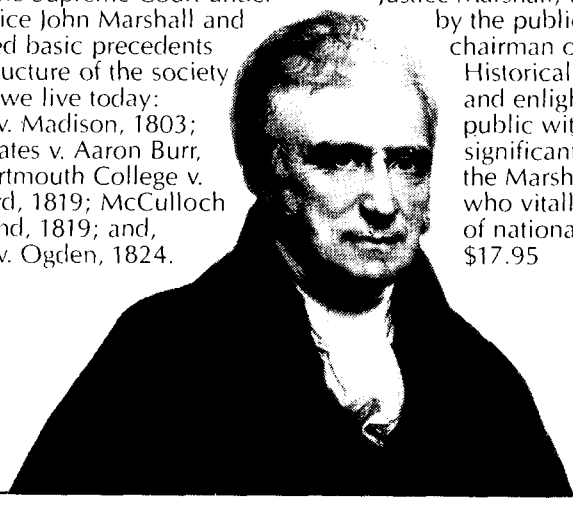

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Connection," but the policymakers it quotes don't sound uncertain at all. Office of Management and Budget officials, for example, seem to regard government-funded social science research less as a source of useful knowledge than as a subsidy for academicians, much like that given to tobacco farmers.

Professors Lindblom and Cohen don't report on these studies, but I doubt that they would be surprised by them. They have a simple Dutch-uncle's message for colleagues who protest that a) academia's brand of "scientific knowledge" is superior to that commonly used by governmental decision-makers, and b) those decision-makers consequently are fools to despise it. Their answer: it's not and they're not. "In fact, PSI knowledge is often less conclusive than ordinary knowledge," which they equate with "common sense, casual empiricism, [and] thoughtful speculation and analysis." Sometimes, as in the area of race and education, social science research is not only "overblown, pretentious, and meddling" but "a positive obstruction to social problem-solving" because of the amount of worthless "noise or distraction" it introduces into the discussion.

It isn't clear what the authors would have academicians do to mend their ways. At one point they seem to suggest that scholars shill for whoever is willing to hire them, focusing only on narrow, pre-set questions whose answers will provide ammunition for "businessmen and their congressional allies looking for tax concessions; farmers and their Department of Agriculture allies looking for crop price supports," and others of that stripe. Yet elsewhere they call for scholars to set off in the opposite direction, attempting more cosmic, non-methodological thinking a la Marx and Freud. Their clearest recommendation for the present, however, is this: "When a pPSI contemplates research on any one of the countless projects over which PSI now ranges or might be extended to encompass, the most frequently applicable prescription for him is 'Stop!'"

—*Michael Nelson*

Water's Edge. Paula Stern. Greenwood, $19.95.

What Went Wrong?: Why Hasn't Having More Made People Happier? Jeremy Seabrook. Pantheon, $10/$3.95.

The Whole Truth. John Erlichman. Simon & Schuster, $9.95. (Fiction)

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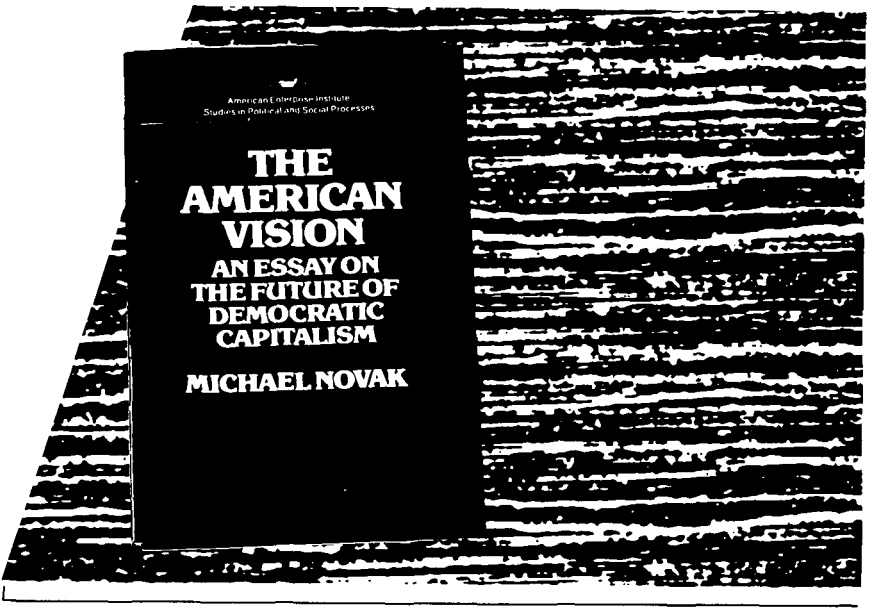

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